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SPECIAL ISSUE: THE INC. 500

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AMERICA'S FASTEST-GROWING PRIVATE COMPANIES

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THE CLASS OF '82

The years 1982–1987 were kind indeed to today's INC. 500. But how did they treat the INC. 500 of 1982?

BY DAVID L. BIRCH

The excitement surrounding the 500 rapidly growing private companies described in this issue raises fascinating questions. What happens to them next? Do they keep growing (*can* they, at such speed), or have they peaked too fast, soon to become just so many flashes in the pan? Or to ask in an engagingly hypothetical way: if you have the chance to invest in the INC. 500, to put up a private stake, should you?

To find out, we went back five years into our Cognetics database and followed each member of the 1982 INC. 500 through June 1987. Then we tested those companies against what we've learned about the performance of the economy as a whole.

FIGURE 1: THE CLASS OF '82 TODAY

INC. 500 rank in 1982	% that maintained growth	% that grew but more slowly	% that declined	% that exited
1–100	2.5%	72.2%	21.5%	3.8%
101–200	5.1	61.6	29.5	3.8
201–300	5.0	63.8	23.7	7.5
301–400	7.9	74.6	12.7	4.8
401–500	19.1	61.8	17.6	1.5

Though few 1982 INC. 500 companies maintained the pace that earned their listing, a huge majority did keep growing.

We know already that the INC. 500 are part of a larger group of small, growing companies that collectively account for most of the employment growth in what we've come to call the New Economy. We know that they are relatively few in number. Our data suggest that about 500,000 companies (or 7% of the total of about 7 million) grow more than 20% per year, and about 80,000 businesses (or 1% of all companies) grow at a rate of more than 50% per year. By comparison, the average 1987 INC. 500 company has grown about 90% a year since 1982.

We also know that these fast-growing companies are volatile. Growth looks much more like a roller coaster than a ramp. In our broader database, we find that the single best predictor of a company's growth up to a two- or three-year horizon is previous decline. The best predictor of decline is recent rapid growth. And the best predictor of death is stability. Economywide statistics show that businesses that stop innovating and taking risks are almost twice as likely to fail as their more adventuresome counterparts.

Against this background, we measured the 380 companies of the 1982 INC. 500 for which we could obtain complete data. Could those companies sustain their qualifying performance for another five years? Are they less likely to go under? Did they do better than the overall universe of companies?

Our first discovery wasn't surprising. Of those we could study in depth, very few companies from the '82 list sustained their INC. 500 qualifying pace—an average annual growth rate of approximately 60% (see figure 1). In general, the faster they grew to get on the 1982 list, the more likely they were to slow down. The converse is also true: slower-growing qualifiers were much more likely to keep up their pace, and were less likely to decline in the future. (Keep in mind that all these businesses were growing explosively. "Slower growing" does not mean "slow growing.")

Some members of the class of '82 were not around for their fifth reunion. Our database reported 16 closures, and there were another 61 businesses we could find no trace of, even searching by phone—taken together, a 15% disappearance rate. This may seem high for a group of companies that was so successful as recently as five years ago, but it still compares very favorably with a national rate during the same period of 24%.

The members of the class of '82 were far more volatile than the corporate population at large. At Cognetics, we have created a volatility index that measures a company's degree of instability by assessing its employment gains and losses over time. On this scale, the 1982 INC. 500 honorees have been five times less likely to be stable than the average U.S. company in the years since making the list. Only 12% of the INC. 500, compared with 62% of all U.S. companies, fell into the volatility index's "stable" range. What's more, almost half (42%) of the '82 INC. 500 were extremely unstable compared with only 15% of the overall corporate universe. It would appear that the INC. 500 superstars are not exempt from the rule that growth and volatility are inextricably bound.

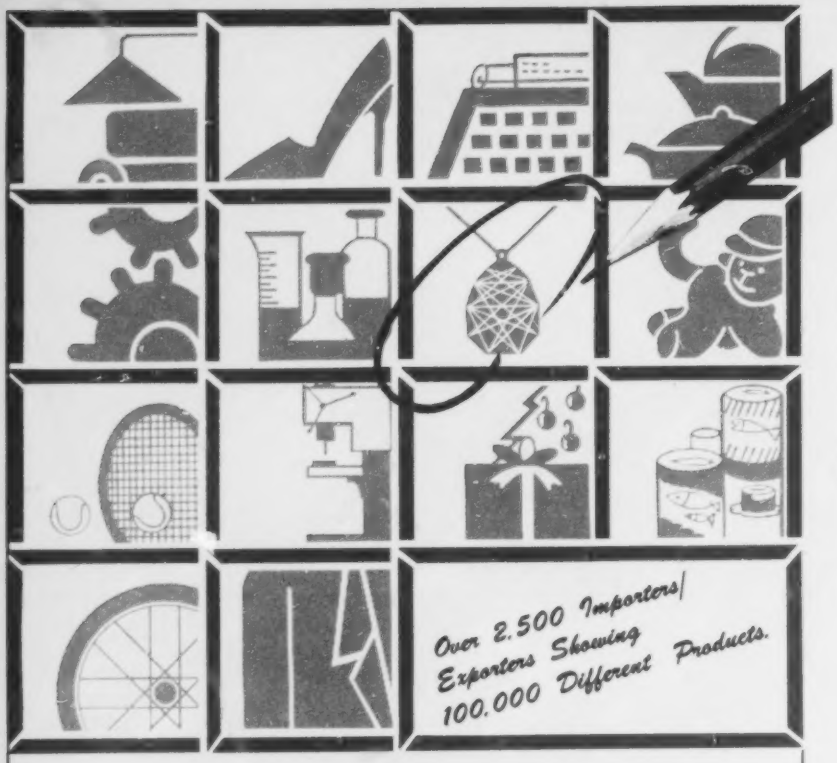
So would these companies be worth the risk, on average, if you were offered the chance to invest in them? Here we must hypothesize a bit. Unfortunately, we have no data on profitability, clouding any assessment of INC. 500 company value either in 1982 or 1987, and making it tough to compare performance over that period with that of publicly held companies. We can, however, compare how well the sales of the 500 grew in relation to the sales of all companies. The growth performance of the class of '82, it turns out, was nothing short of extraordinary (see figure 2). A staggering 43% were still growing rapidly from 1982 through 1987, in contrast to only 4% for all corporations over the same period—INC. 500 companies were *10 times* more likely to be rapid growers.

They may have slowed down, and they may be volatile, but the 1982 INC. 500 are still outperforming most companies by a large margin. If you could have invested in

FIGURE 2: THE CLASS OF '82 TODAY

Growth index	1982 INC. 500	All U.S. companies
Negative	23.4%	14.8%
0–4	22.0	76.2
5–19	12.0	4.6
20+	42.6	4.4

The growth performance of the class of '82 has been nothing short of extraordinary. (A growth index higher than 20 indicates extremely rapid growth, on a combined percentage and absolute basis.)



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each, your investment would surely have outperformed any stock or bond average computed today.

In short, and as a close look at INC. 500 companies suggests, investing in the growth of the New Economy is a wild and crazy game. Virtually all the growth now comes from companies generically like the INC. 500, which means they are relatively few in number, are spread across all industries and places, and are privately held and hard to find. They begin their rapid growth almost from birth: 62% of the 1982 INC. 500 were just three years old or younger when their qualifying track record began. If you had waited until they had qualified to invest, you would have done very well—but not nearly so well as if you'd become involved with them at their earliest stages.

When and if you can find a company like these and invest in it, its fortunes are very likely to bounce all over. It would seem wiser to invest in a large portfolio of 500 companies—a strategy, however, that would only multiply the difficulty of finding just one such company in the first place. It is no wonder that few pension funds hold positions in INC. 500 companies. Said another way: it is a great tribute to the diversity and inventiveness of our financing system that the INC. 500 get financed at all.

From 1982 through 1987, '82 INC. 500 companies were 10 times more likely to be rapid growers than others in the overall corporate universe.

What large-scale institutional investors are missing is the guts of the New Economy today. However 1982's INC. 500 companies may have vacillated over the past five years, their performance relative to the rest of the economy has been superb. In more general terms, more than 500,000 U.S. businesses are averaging better than 20% growth per year, and in 1986 the major investment-banking firms brought only 199 of them public.

So, our hats are off to the class of '82, for its resourcefulness in finding money as well as for the good use to which the money was put. To the formal investment community, a caution: you're missing most of the boat. And to the class of '87, our best wishes. May you thrive as well as did the generation before you. □

David L. Birch is president of Cognetics Inc. and director of MIT's Program on Neighborhood and Regional Change.

THE 1987 INC. 500

AMERICA'S FASTEST-GROWING PRIVATE COMPANIES

THEY ARE, IN MANY WAYS, A MICROCOSM OF THE American economy—a reflection of its variety, testimony to its volatility, the symbol of its vibrancy and strength. Few are well known, but nearly all have interesting, even dramatic stories to tell about where they've been and where they are headed. If you could somehow gather them under a single tent, it would be one hell of a party.

Meet the 1987 INC. 500. Although we can calculate all sorts of averages about this group of 500 businesses, it is probably more truthful to admit that none is typical. In size they range widely, from 3 employees to 1,660. In annual sales they run the gamut from $734,000 to $300 million. In age, they encompass everything from entrepreneurial bloom (5) to comfortable middle age (44). Many of these companies have made their owners wealthy, but more than a few remain doggedly unprofitable. The details about all 500 companies begin on page 75.

What the members of the INC. 500 have in common is that they are growing, and growing fast. Here is an elite business club whose members must have seen sales climb at least 526% over the last half-decade. At the top of the list, the pace of growth proceeds at such a fevered pitch—52,000% in the case of #1 American Photo Group—that to calculate percentages is virtually meaningless. Curtis Hartman takes the measure of American Photo Group in other ways, beginning on page 68.

Over the past months we've spoken to the chief executive officers of just about all the INC. 500, and we can report that there is no magic formula for business growth—if there were, we'd have long since patented and bottled it. What there is, however, is a common experience. Running any business is a challenge, but running businesses that, on average, are growing at the rate of 90% each year, year after year, is something else again. It is the special difficulties of managing such rapid growth that ties together the individual histories of these 500 companies, and that is the subject of our INC. 500 coverage this year.

In the pages that follow, we explore four common challenges that INC. 500 firms have faced and overcome.

■ **Building a management team.** Bringing new managers on board is hard enough. Figuring out what to do with the old ones can be the hardest thing a CEO ever has to do. Often it is a trusted colleague who becomes the problem, or a friend who helped start the business a few years ago. Now, the business has taken off, and some members of the original team have reached their level of incompetence. What is the right thing to do as a manager? As a human being? Tom Richman talked with two CEOs who confronted this dilemma. Their stories begin on page 53.

■ **Building a dependable work force.** Teleconnect Co. (#84) grew from 75 employees in 1982 to 1,174 last year—adding, in other words, an average of 5 employees every week, week in and week out, for four straight years. An extreme case? Yes. But even the average INC. 500 company increased its work force more than fivefold in the same period. When your business's future depends on so many green recruits, you have to find ways of training them—fast, and in ways that reflect your company's particular goals and values. Joshua Hyatt profiles a few companies that have learned to do it right, beginning on page 54.

■ **Finding working capital.** A fast-growing company needs cash the way a teenager needs food: right now, please, and plenty of it. You'd think the banks would jump at the chance to provide such capital—if sales are growing, these companies must be doing something right. But bankers don't always see it that way, and Bruce G. Posner spoke with several companies that learned to work around them—or without them. His report begins on page 56.

■ **Coming up with a second act.** Markets have a disconcerting way of maturing: some get saturated, others attract competition. Either way, a growing company can't rely forever on one product or one narrow set of customers. The problem is that success in round one by no means ensures success in round two. Paul B. Brown describes the fine art of learning from failure, beginning on page 60.

By focusing on these issues, we don't mean to imply that growing a company is simply an endless succession of headaches. It is the rare INC. 500 CEO who doesn't revel in the emotional high of managing a company on the move. Rarer still are the managers who can sustain that high over long periods of time. This year we salute six new companies that have made the INC. 500 for five years running. The 1987 entries to our Honor Roll begin on page 136.

THE INC. 500

Abacus II Computers (245)
ABC Supply (31)
ABS (106)
Academic Guidance Services (113)
Accr-A-Data (292)
Accutest Laboratories (304)
AC3 (432)
Action Systems (29)
Admax (473)
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Advanced Medical Systems (210)
Advanced Systems Development (45)
Advertising Consultants (182)
After the Stork (119)
Aim Executive (160)
Alexia Natural Fashions (132)
Alliance Research (217)
Altex Electronics (479)
American Business Computer (221)
American Cmflex (5)
American Communications Group (53)
American Computer Professionals (277)
American Delivery Service (226)
American Farm Products (100)
American Leisure Industries (126)
American Nursing Resources (118)
American Photo Group (1)
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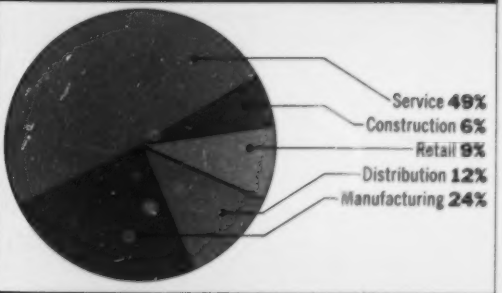
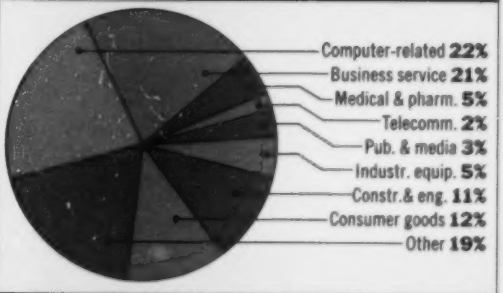
Santa Cruz Operation (228)
Schlott (266)
Schmidt-Cannon (96)
Scosche Industries (269)
Seatec (463)
Second City Systems (170)
Select Temporary Services (303)
Seltmann, Cobb & Bryant (255)
Serrot (338)
Setton's International Foods (462)
Shawmut Design & Construction (158)
Shredex (97)
Silver Lining Seafoods (152)
Siniger Consultants (92)
SKC Electric (103)
Skoda, Minotti, Reeves (474)
Skyline Displays (293)
Slotline Golf (254)
Smart (443)
Soil Shield International (363)
Source of Future Technology (323)
Southeast Holding (60)
Southern Office Furniture Distrs. (402)
Special Care (30)
Specialty Cabinets & Fixtures (333)
SRS Network (238)
Stamper Industries (51)
Starmark (311)
Star Nail Products (440)
Staubach Company (420)
STB Systems (25)
Steven J. Levine & Assoc. (181)
Stewart Supply (307)
Strategic Data Systems (27)
Strategic Management Group (188)
Strategic Radio Research (176)
Stu. Co. & Subsidiaries (394)
Suburban Landscape (447)
Sunbelt Transformer (489)
Sundance Spas (257)
Sun Financial (19)
Sunquest Information Systs. (301)
Super 8 Motels (73)
Superior Seeds (166)
Swintec (233)
SYME (389)
Systech (23)
Systel Business Equipment (260)
Systems Research & Applications (387)
Sytek (186)
TCH Industries (285)
Technatics (155)
Technical Resources (464)
Technical Support Services (341)
Techstaff (279)
Teleco (408)
Teleconnect (84)
TeleTime Productions (348)
Teltrend (93)
Temp Force (461)
Temporary Solutions (417)
Temps (122)
Thomas Design & Engineering Service (87)
Tidewater Consultants (343)
TiMaker (316)
Todays Temporary (74)
Tom Garter Spas (413)
Total-Dent (203)
Townsend Agency (382)
Townside TV & Appliance (379)
TRC Temporary Services (267)
TRICOM (448)
Trinity Computing Systems (40)
United Agencies (197)
United Phone Book Advertisers (6)
Urban Designs (312)
USRobotics (145)
U.S. Agri-Development (130)
U-Save Auto Rental of America (81)
Van Horn Designs (164)
Vocational Training Center (350)
VSP Personnel Services (324)
Walker Richer & Quinn (232)
Walsh Equipment (187)
Waste Energy Technology (52)
Westlake Graphics (327)
Wexco International (157)
White Pine (139)
William Raveis (330)
Windline Seaway (365)
Windmill Woodworking (242)
Wisconsin General Cartage & Warehouse (407)
Woodworker's Supply (286)
Word & Data Processing Products (251)
WordPerfect (26)
Worldmark (101)
W. T. Quinn (128)
Xscribe (414)
Zachary Jackson Copy Service (310)
Zack's Famous Frozen Yogurt (274)
Zero Defects (349)
Zymark (15)

AT A GLANCE

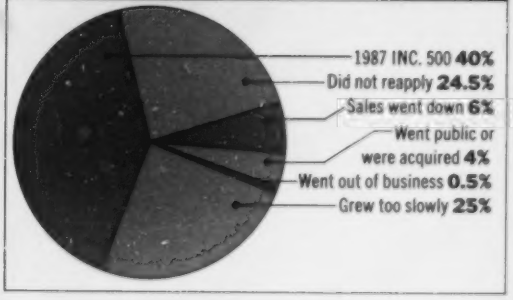
INC. 500 BY SECTOR



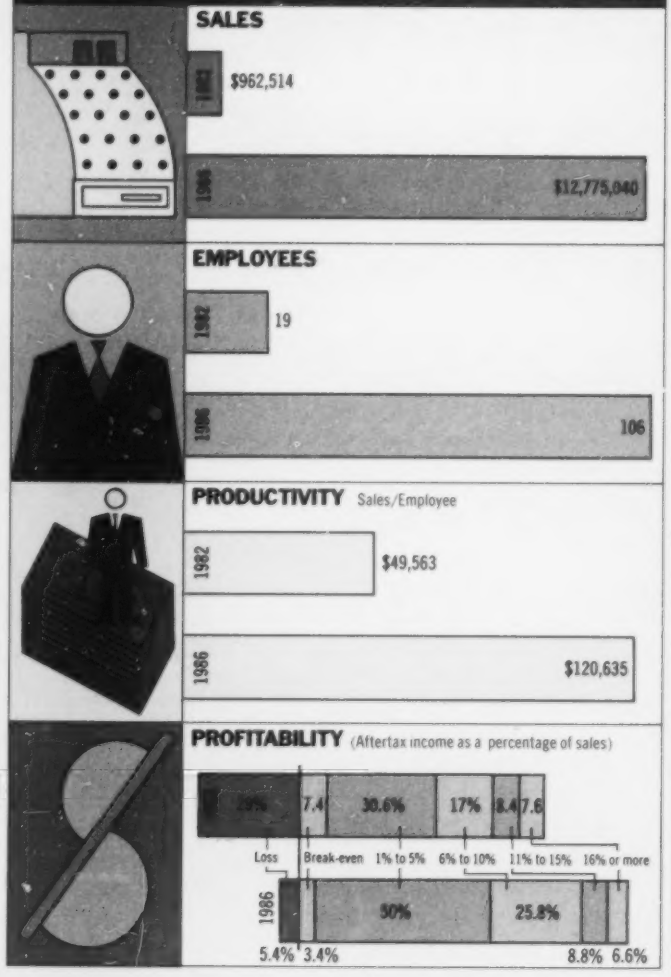
INC. 500 BY INDUSTRY



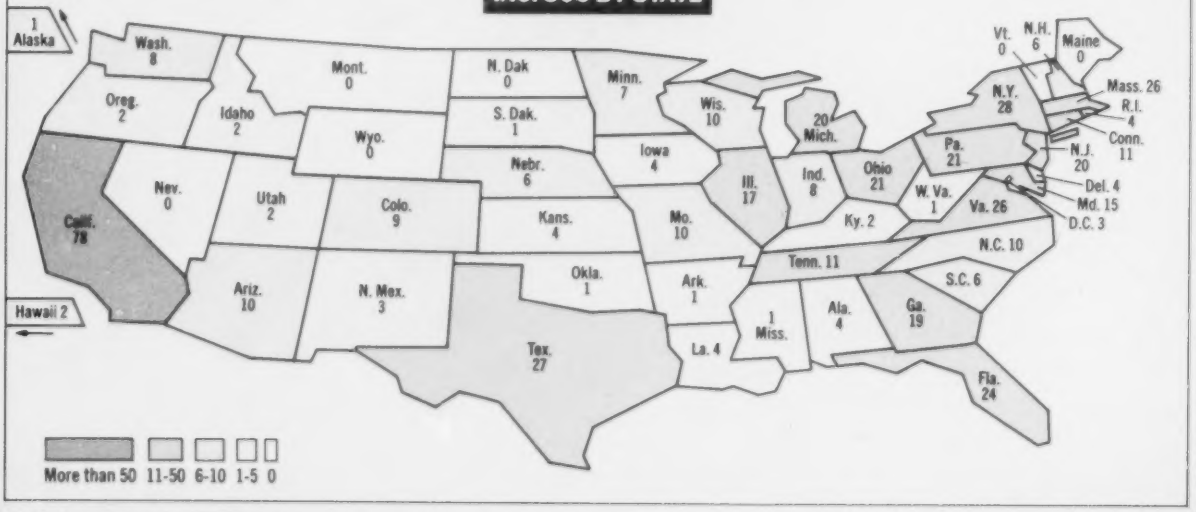
WHAT HAPPENED TO THE CLASS OF '86?


1987 INC. 500 40%
Did not reapply 24.5%
Sales went down 6%
Went public or were acquired 4%
Went out of business 0.5%
Grew too slowly 25%

HISTORY OF GROWTH: THE AVERAGE INC. 500 COMPANY



INC. 500 BY STATE



NIGEL HOLMES

THE 500

#13
APPLIED SYSTEMS INC.
UNIVERSITY PARK, ILL.

ANDY GOODWIN

Robert Eustace

You saw it in the stock market. You've seen it in the merger-and-acquisition activity. Now you can see it in the INC. 500: software is hot. On this year's list there are more than 40 companies that design, manufacture, or distribute software, closing in on hardware as the driving force in the technology sector. Most experts see this as the start of a long-term trend, as the hardware becomes more and more like a commodity business and the software—everything from applications programs to artificial intelligence—becomes the high-stakes arena.

Near the top of this year's list is Robert Eustace's Applied Systems, which is typical of the successful software firms in its focus on a narrow market niche: applications software for insurance agents.

Company, CEO, city, state, description, number of employees	1982-87 sales growth	1986 sales ($000)	1986 revenue per employee	Profitability	Growth	Full-time employees	Rank on 1986 list	Year started
1. American Photo Group Atlanta, GA Photo-finishing production & marketing	52,244%	$77,992	$149	D	D	1,212	3	1979
2. PC Connection Marlow, NH Retails mail-order peripherals & software	25,644	59,984	233	D	D	141	3	1982
3. Compuadd Austin, TX Retails microcomputers & peripherals	15,127	44,158	290	D	D	96	4	1982
4. Measurement Sciences Farmingdale, NY Distr. computer software & equipment	12,385	32,960	264	D	F	123	2	1980
5. American Cimflex Pittsburgh, PA Mfrs. computer-integrated systs.	12,178	26,397	215	F	F	300	12	1979
6. United Phone Book Advertisers (48) Lincoln, NE Publishes telephone directories	10,928	15,770	143	C	E	204	17	1981
7. Gates Distributing Richmond, CA Distr. microcomputer hardware & software	10,721	26,836	248	D	D	40	7	1981
8. Customer Development Peoria, IL Customer database mgmt.	10,664	17,868	160	D	B	191	32	1982
9. Brett Aqualine Huntington Beach, CA Mfrs. health-spa equipment	9,160	9,445	102	D	F	50	5	1982
10. CareerTrack Boulder, CO Professional development training	9,082	25,526	278	D	F	134	5	1982
11. Bluebird Systems Carlsbad, CA Publishes & distr. software	7,933	11,648	145	D	F	110	30	1982
12. Homeowners Marketing Services Hollywood, FL Provides real-estate marketing & support svcs.	7,640	16,331	211	C	F	50	10	1980
13. Applied Systems University Park, IL Develops & mfrs. microcomputer software	7,627	10,431	135	D	F	120	7	1980
14. Lunar Radiation Madison, WI Mfrs. bone densitometry equipment	7,522	14,634	192	B	F	100	15	1980
15. Zymark (11) Hopkinton, MA Develops & sells lab automation equipment	7,490	12,372	163	F	F	135	35	1981
16. G.O.D. Kearney, NJ Overnight express motor carrier	7,487	12,671	167	C	E	247	4	1982
17. Penn Lyon Homes Selinsgrove, PA Mfrs. modular homes	7,383	23,720	317	D	F	268	75	1981
18. Maui & Sons (10) Irvine, CA Mfrs. menswear	7,233	9,753	133	C	D	33	3	1981
19. Sun Financial (33) Clearwater, FL Provides equipment leasing & brokerage svcs.	7,112	8,366	116	C	B	7	2	1981
20. Morris & Raper Realtors Atlanta, GA Sells real estate	6,743	26,004	380	A	C	12	1	1979
21. Manask & Carl Toluca Lake, CA Contract food svcs.	6,118	8,083	130	D	F	200	50	1981
22. Group Benefit Services (76) Hunt Valley, MD Group insurance administration	6,070	11,045	179	B	D	15	2	1980
23. Systech San Diego, CA Mfrs. & mkts. communication subsysts.	5,811	10,286	174	C	F	101	12	1981
24. RJO Enterprises (39) Lanham, MD Provides systs. engineering svcs.	5,510	14,753	263	D	D	281	5	1979
25. STB Systems Richardson, TX Designs & mfrs. enhancement products	5,279	18,289	340	C	D	90	8	1981

CHARTS TYRESET BY B.P.E. GRAPHICS

#44
INTEGRATED SYSTEMS ANALYSTS INC.
ARLINGTON, VA.

WALTER P. CALAHAN

C. Michael Gooden

As a U.S. Navy combatant in the Persian Gulf detects an enemy plane, the 50-millimeter cannons on its foredecks automatically rotate to zero in on the approaching target. As likely as not, the interfaces that link the radar to the cannon are designed by a company like Integrated Systems Analysts (ISA).

Cofounded by C. Michael Gooden in 1980 after a 17-year career with the navy, ISA gained its foothold in military contracting through the federal government's minority business development program—and like many minority-owned companies, has spent the time since trying to get out from under its stigma. "It's a strained environment," he says. "We're constantly having to dispel the image that, as a minority contractor, we can't perform successfully." Gooden has apparently been successful enough that he can afford not to bid on such politically controversial projects as the MX missile and the B-1 bomber, which are more likely to be suddenly canceled with a change in Administration or public opinion. He has also been careful not to tie his company's prospects to any particular weapons system: no one contract supports more than 10% of his staff.

Company (1986 rank)	1982–86 Percent	'86 sales	'82 sales	Profit range		No. of employees		Date
26. WordPerfect Orem, UT Develops & mfrs. computer software	5,160%	$47,549	$904	B	C	370	16	1979
27. Strategic Data Systems Sheboygan, WI Develops application software	4,840	5,681	115	B	F	60	8	1981
28. Early Cloud Newport, RI Sells software products	4,783	5,567	114	B	E	20	6	1981
29. Action Systems Indianapolis, IN Provides technical consulting svcs.	4,769	6,914	142	E	A	40	3	1982
30. Special Care Philadelphia, PA Provides in-home health-care svcs.	4,729	5,795	120	C	F	21	1	1982
31. ABC Supply (1) Beloit, WI Distr. building supplies	4,645	216,020	4,553	D	D	650	20	1979
32. GRID Systems Fremont, CA Mfrs. lapton computers & communication systs.	4,617	56,600	1,200	C	F	300	40	1979
33. Business Information Technology Wilmington, DE Provides business systs. consulting svcs.	4,585	5,153	110	C	B	63	3	1981
34. Ghafari Associates Livonia, MI Provides architecture & engineering svcs.	4,441	5,495	121	D	D	82	8	1982
35. Contract Professionals Pontiac, MI Provides technical temporary-help svcs.	4,357	9,137	205	D	C	17	3	1982
36. Quality "S" Manufacturing (44) Phoenix, AZ Mfrs. trailer hitches	4,295	8,965	204	B	B	70	5	1977
37. Blackbaud Microsystems Huntington, NY Supplies turnkey computer systs.	4,287	4,606	105	D	F	45	3	1981
38. Emmis Broadcasting Indianapolis, IN Radio broadcasting	4,273	20,376	466	F	F	127	30	1979
39. MicroSolutions Dallas, TX Sells microcomputers & software	4,250	6,047	139	D	B	12	2	1982
40. Trinity Computing Systems Houston, TX Mfrs. medical software	4,156	4,597	108	C	F	36	4	1982
41. Richard Young Office Prods. (26) Deerfield Beach, FL Distr. computer supplies & accessories	4,100	16,465	392	D	D	37	8	1979
42. Distinctive Business Products Alsip, IL Sells & svcs. business equipment	3,986	5,107	125	D	E	91	3	1982
43. Interactive Business Systems (23) Oak Brook, IL Provides data-processing consulting svcs.	3,979	6,731	165	D	F	110	12	1981
44. Integrated Systems Analysts (20) Arlington, VA Defense systs. engineering	3,907	21,079	526	D	D	446	22	1980
45. Advanced Systems Development Arlington, VA Provides computer consulting svcs.	3,889	4,667	117	D	C	86	4	1979
46. Communications International Norcross, GA Sells & leases telecommunications systs.	3,883	5,695	143	C	F	90	12	1980
47. Curtis Manufacturing Peterborough, NH Mfrs. computer accessories	3,873	6,674	168	D	C	18	2	1982
48. Magnetic Data Eden Prairie, MN Mfrs. & mkts. computer equipment	3,805	10,309	264	C	F	109	33	1982
49. Bytex Southborough, MA Mfrs. electronic matrix switches	3,763	24,958	646	D	F	220	24	1980
50. C. A. S. I. Boca Raton, FL Mfrs. computer software & systs.	3,708	5,788	152	E	F	78	7	1981
51. Stamper Industries Carrollton, TX Mfrs. aluminum windows & doors	3,655	18,439	491	D	F	240	20	1981
52. Waste Energy Technology Bedford, MA Operates waste-to-energy facilities	3,537	7,736	207	D	F	119	4	1981
53. American Communications Group Lauderhill, FL Mfrs. telecommunications equipment	3,617	3,828	103	A	B	56	12	1980
54. Distribution Plus Frederick, MD Distr. computers & peripheral equipment	3,577	20,702	563	D	D	47	12	1978
55. International Micro Systems Miami, FL Distr. microcomputer products	3,529	6,968	192	D	E	19	2	1982
56. Historical Developers of PA Philadelphia, PA Develops historical residential buildings	3,489	17,334	483	B	F	22	5	1980
57. Intergroup of Arizona Tucson, AZ Health maintenance organization	3,482	39,400	1,100	D	E	60	12	1982
58. Aquatran Kingwood, TX Provides overseas mailing & shipping svcs.	3,415	3,656	104	C	F	26	2	1982
59. Logistix (116) Milpitas, CA Mfrs. software & hardware	3,376	23,361	672	D	B	60	15	1974
60. Southeast Holding Charlotte, NC Provides asset mgmt. & construction svcs.	3,335	20,059	584	D	F	75	2	1982

Company (1986 rank)	1982–86 Percent	'86 sales	'82 sales	Profit range*		No. of employees	% of employees	Date founded
61. C. J. P. Development (163) Cranbury, NJ Distr. & installs residential siding	3,285%	$8,531	$252	D	F	210	40	1972
62. JAC Creative Foods Los Angeles, CA Processes fish products	3,236	13,011	390	D	F	125	35	1981
63. Profile Records New York, NY Record company	3,195	13,313	404	A	F	9	4	1981
64. Relational Technology Alameda, CA Mfrs. computer software	3,105	28,138	878	C	C	270	35	1980
65. Future Shape International Wallingford, CT Mfrs. exercise & suntanning equipment	3,100	8,000	250	C	D	24	2	1982
66. D. D. F. Transportation (144) Buffalo, NY Provides trucking transportation	3,085	4,364	137	C	D	25	4	1981
67. E C (89) Oak Ridge, TN Provides engineering consulting svcs.	3,085	15,702	493	D	D	400	21	1977
68. East Coast Computer Systems Red Bank, NJ Distr. turnkey computer systs.	3,058	3,600	114	B	B	15	8	1980
69. A-M Homes Santa Barbara, CA Develops property & builds homes	3,019	96,759	3,102	D	D	145	11	1979
70. Applied Energy Services (12) Arlington, VA Operates independent power facilities	2,915	22,193	736	D	F	180	17	1981
71. BCP Technical Services New Orleans, LA Provides engineering consulting & technical svcs.	2,905	4,958	165	D	A	68	12	1981
72. Island Water Sports (31) Deerfield Beach, FL Sells water sporting goods	2,871	10,400	350	B	B	55	5	1979
73. Super 8 Motels Aberdeen, SD Franchises economy motels	2,861	58,518	1,976	F	B	216	24	1973
74. Todays Temporary Dallas, TX Provides temporary-help svcs.	2,835	14,616	498	D	D	48	10	1982
75. Ellis-Walker Builders Fayetteville, NC General contractor	2,814	6,002	206	D	D	25	10	1979
76. Hutronix Douglas, AZ Mfrs. cables	2,748	4,471	157	B	F	130	10	1981
77. Information Technology Services Hauppauge, NY Distr. computer products	2,721	8,604	305	D	C	29	9	1980
78. CMC Santa Barbara, CA Mfrs. computer networking products	2,705	9,004	321	C	F	50	28	1981
79. Jacore Systems (185) Marietta, GA Supplies minicomputer systs.	2,685	50,129	1,800	C	C	57	30	1979
80. Labrec Financial Group (176) Nashville, TN Provides financial svcs.	2,660	9,330	338	D	C	18	7	1976
81. U-Save Auto Rental of America (225) Hanover, MD Used & new vehicle rental franchisor	2,589	7,772	289	D	D	9	3	1979
82. Napit Contracting Hampton, VA General contractor	2,578	5,973	223	C	D	150	20	1981
83. Lifetree Software (37) Monterey, CA Publishes software	2,562	4,819	181	B	C	36	5	1981
84. Teleconnect (46) Cedar Rapids, IA Provides telecommunications svcs.	2,530	113,765	4,326	D	F	1,174	75	1979
85. PSI (27) Costa Mesa, CA Overhaul contractor	2,503	12,338	474	D	C	460	30	1981
86. Burns International Phoenix, AZ Provides real-estate mgmt. svcs.	2,485	17,292	669	C	C	65	4	1975
87. Thomas Design & Engineering Svc. (51) Swartz Creek, MI Designs machines & molds	2,483	7,776	301	E	A	245	18	1980
88. Health Tec Palmer, MA Mfrs. adult disposable diapers	2,471	8,100	315	D	F	60	14	1981
89. Code-Alarm (119) Madison Heights, MI* Mfrs. automotive security systs.	2,460	8,013	313	C	E	107	11	1979
90. Arkay Video Productions Manville, NJ Produces videos	2,445	3,385	133	D	D	13	1	1982
91. Holton Erectors (117) Wixom, MI General contractor	2,435	4,107	162	C	E	40	15	1980
92. Singer Consultants (208) Clearwater, FL Provides mgmt. & marketing consulting svcs.	2,398	4,396	176	D	D	75	7	1981
93. Teltrend St. Charles, IL Mfrs. telecommunications equipment	2,393	32,359	1,298	B	C	276	40	1979
94. O/E Automation (141) Troy, MI Office automation sales & consulting	2,352	52,845	2,155	C	B	359	10	1979
95. Aquidneck Management Associates Middletown, RI Provides engineering & systs. mgmt. consulting svcs.	2,341	6,004	246	C	B	143	14	1981

#70 APPLIED ENERGY SERVICES INC. ARLINGTON, VA.

WALTER P. CALAHAN

Roger Sant

In his capacity as an energy adviser to President Ford and head of the Mellon Institute's Energy Productivity Center, Roger Sant thought he saw a way to make money shipping coals to Newcastle.

It's called cogeneration. Like most other electric companies, Applied Energy Services burns coal or oil or gas to generate heat that turns turbines that generate electricity. And like most electric companies, that process produces a fair amount of waste heat. But unlike most electric companies, Sant doesn't just let the heat go up into the air. He turns it into steam and sells it to his neighbors—an oil refinery in Houston, for example, or a chemical plant in western Pennsylvania.

"We are part of a major restructuring of a huge industry," says Sant, who estimates cogeneration, on average, cuts the cost of generating a kilowatt of electricity by as much as 10%. Nor is selling such power much of a problem: a 1978 federal law requires large utility companies to buy the electricity from these free-lance competitors at a price equal to the cost of the utility's own energy.

#97
SHREDEX INC.
BOHEMIA, N.Y.

IDA WYMAN

Michael Falco

Fawn Hall and Ollie North have been very, very good to Shredex. The famous White House duo is credited with boosting shredding machine sales by nearly 50% over this past summer. And the gain is not just government business, either. These days, federal agencies account for only 23% of Shredex sales. The real growth is coming from the private sector, where having a shredding machine has become a status symbol akin to an office with a window or a rosewood desk.

"These are no cloak-and-dagger, back-room machines," says president Michael Falco of the $500 to $18,000 cutter-uppers. "These are among the fastest-growing office products on the market, replacing the trash basket next to copiers and computer printers."

Falco, however, is not unmindful of how important a government scandal can be for boosting private-sector sales. Five years ago, he launched his company with a "Watergate" series. But he doesn't see any long-term market for a "Contragate" model—at least not yet.

96. **Schmidt-Cannon** City of Industry, CA Distr. incentive merchandise	2,340%	$8,441	$346	D	A	39	10	1980
97. **Shredex** Bohemia, NY Imports paper-shredding machines	2,325	4,147	171	D	C	13	2	1982
98. **Read** Middleboro, MA Mfrs. gravel-screening equipment	2,299	9,906	413	D	F	112	6	1980
99. **Palmer** Union, NJ Retails & franchises videocassettes	2,295	3,808	159	D	E	39	8	1981
100. **American Farm Products** Ypsilanti, MI Sells agricultural products	2,212	3,052	132	C	F	33	3	1982
101. **Wonderware** North Palm Beach, FL Mfrs. industrial & building products	2,105	300,070	13,248	D	D	1,000	175	1978
102. **Custom Living Homes & Communities** Chester, NJ Constructs new homes	2,190	41,100	1,796	D	D	157	5	1973
103. **SKD Electric** (57) Lenexa, KS Electrical design & construction	2,140	7,309	326	D	F	98	27	1980
104. **Commonwealth Tool Specialty** (76) Roanoke, VA Distr. industrial cutting tools	2,128	3,161	142	D	C	17	6	1981
105. **Clean Harbors** (107) Braintree, MA Provides environmental hazardous waste svcs.	2,111	46,723	2,113	D	E	375	15	1980
106. **ABS** Wichita, KS Direct-mail production	2,096	4,413	201	D	D	63	6	1978
107. **Glenn, Nyhan & Assoc.** (118) San Francisco, CA Provides health-care insurance svcs.	2,071	7,185	331	C	F	91	12	1980
108. **Computerware** Fairless Hills, PA Sells & svcs. microcomputers	2,032	11,045	518	D	D	55	3	1982
109. **KDH Systems** (95) Rockville, MD Provides ADP & telecomm. mgmt. consulting svcs.	2,001	6,366	303	D	C	140	12	1980
110. **Oldenburg Group** Milwaukee, WI Mfrs. component parts; lighting fixtures	1,996	9,725	464	C	F	225	6	1943
111. **Control Systems** St. Paul, MN Mfrs. computers	1,976	9,610	483	D	F	80	5	1976
112. **KTI Holdings** Guttenberg, NJ Develops alternative energy projects	1,974	4,251	205	B	F	37	4	1982
113. **Academic Guidance Services** (179) Marlton, NJ Provides computerized guidance svcs.	1,962	2,248	109	A	A	37	8	1975
114. **Impact Systems** San Jose, CA Mfrs. & sells computer-control systs.	1,957	23,405	1,138	D	F	100	20	1981
115. **Golden West Temporary Services** Santa Clara, CA Provides temporary-help svcs.	1,948	9,749	476	D	D	18	3	1977
116. **ORTTECH** Willoughby, OH Distr. power transmission components	1,939	2,916	143	D	F	11	4	1980
117. **Infinity Communications** Tempe, AZ Sells & svcs. office products	1,936	13,904	683	D	F	85	6	1982
118. **American Nursing Resources** Overland Park, KS Provides home health-care svcs.	1,910	15,521	772	D	F	497	24	1982
119. **After the Stork** Albuquerque, NM Retails mail-order children's clothing	1,897	2,976	149	B	A	45	2	1980
120. **Gary A. Taylor Construction** (157) Jackson, TN General contractor	1,839	2,944	148	C	B	20	6	1979
121. **Greater California Dental Plan** (182) Canoga Park, CA Prepaid dental plans	1,882	3,290	166	C	C	10	3	1979
122. **Tempo** (8) Washington, DC Provides temporary-help svcs.	1,862	19,364	987	D	F	68	3	1981
123. **Gearcon General Contractors** Albuquerque, NM Commercial building contractor	1,861	2,844	145	D	E	11	3	1980
124. **D. F. M. Enterprises** North Haven, CT Mfrs. under-bridge inspection equipment	1,852	2,011	103	D	D	10	5	1979
125. **Corporate Supply** Van Nuys, CA Supplies computers & office supplies	1,851	3,200	164	C	A	23	2	1982
126. **American Leisure Industries** (169) Lanham, MD Travel company	1,848	35,681	1,832	C	E	166	35	1978
127. **Dytronix** (143) Dallas, TX Provides computer software consulting svcs.	1,842	5,942	306	C	D	50	3	1979
128. **W. T. Quinn** Somerset, NJ Publishes advertising catalogs	1,834	3,907	202	D	E	24	1	1982
129. **Performance Coatings** (210) Ukiah, CA Mfrs. & mkts. architectural coatings	1,797	2,295	121	A	F	10	1	1977
130. **U.S. Agri Development** Irvine, CA Develops & manages agricultural properties	1,792	2,913	154	A	A	3	1	1981

#133
OPERATION BASS INC.
GILBERTSVILLE, KY.

DUANE SALSTRAND

Mike Whitaker

Most people can only fantasize about turning their hobby into a career. Mike Whitaker is one of the lucky ones. The former football coach and traveling salesman took $15,000 and a yen to fish and turned it into what has become the largest fishing organization in the United States. Each year, nearly all of the 24,000 active members of Operation Bass sign up for one of the club's 126 fishing tournaments held around the country, where the object is to weigh in with the fattest five to seven bass. Participants who do well in local contests move on to regional events and eventually the national competition, where the top prize is $100,000. Last year, that worked out to $4,760 per pound.

But there is more to his business than simply the tournaments, Whitaker soon found out. What started as an annoying chore—a club magazine written and pasted up on the family's kitchen table—has now turned into a nice little profit center for his company, representing nearly 20% of gross income. Indeed, it's such a fast-growing area that Whitaker can't find much time these days for what remains his favorite pastime—fishing.

	Company (Rank last year)	1982–86 Percent	'86 sales	'87 sales	Profit margin		No. of employees		Date
131.	**Expoconsul International** Princeton, NJ Organizes trade shows & conferences	1,768%	$2,727	$146	A	E	22	1	1981
132.	**Alexia Natural Fashions** Sausalito, CA Operates women's apparel stores	1,755	5,212	281	C	D	82	8	1981
133.	**Operation Bass** Gilbertsville, KY Operates fishing tournaments	1,735	2,789	152	F	F	15	7	1979
134.	**Computer Shopper of Titusville** (251) Titusville, FL Publishes magazine	1,723	5,979	328	C	C	69	20	1979
135.	**Mountain Computer** (295) Scotts Valley, CA Mfrs. microcomputer peripherals	1,721	53,591	2,943	D	D	326	50	1977
136.	**Lindair Transport** Greeneville, TN Contractor of air cargo	1,702	13,067	725	D	C	258	42	1981
137.	**Embree Interior Resources** Chicago, IL Distr. office furnishings	1,702	5,407	300	D	F	20	5	1982
138.	**Eastern Marine Construction** (284) Nashua, NH Provides construction svcs.	1,692	2,097	117	D	F	26	1	1981
139.	**White Pine** Middleton, WI Imports clothing	1,689	4,186	234	D	C	40	3	1981
140.	**Pathology Associates** Hyattstown, MD Provides biomedical research support svcs.	1,673	4,237	239	D	F	110	9	1981
141.	**John Paul Mitchell Systems** (71) Chatsworth, CA Sells professional hair-care products	1,663	24,132	1,369	A	A	23	9	1980
142.	**Porta Printer Systems** Largo, FL Systs. integrator	1,660	8,692	494	D	F	71	33	1976
143.	**Discover the World Marketing** Scottsdale, AZ International travel marketing	1,647	2,953	169	D	B	21	2	1981
144.	**Consolidated Dutchwest** (111) Plymouth, MA Retails mail-order wood stoves	1,637	18,465	1,063	E	F	75	20	1980
145.	**USRobotics** Skokie, IL Mfrs. electronic data-communications equipment	1,606	19,805	1,161	C	F	125	14	1976
146.	**Financial Supermarkets** (193) Peekskill, NY Provides financial svcs.	1,575	1,843	110	A	E	20	2	1978
147.	**Little** (164) Salt Lake City, UT Provides mortgage field svcs.	1,575	2,764	165	C	D	26	6	1979
148.	**Mid-Atlantic Medical Services** East Rutherford, NJ Rents specialty medical equipment	1,549	1,797	109	A	A	25	10	1976
149.	**Personal Computer Centre** Lawndale, CA Sells computers & peripherals	1,543	23,000	1,400	D	D	51	6	1976
150.	**BTG** Vienna, VA Computer systs. engineering & development	1,542	11,858	722	D	D	87	4	1982
151.	**Robec** (115) Horsham, PA Distr. microcomputer equipment	1,529	64,086	3,934	D	D	128	20	1978
152.	**Silver Lining Seafoods** Ketchikan, AK Processes seafood	1,508	6,321	393	C	F	50	25	1981
153.	**Captive-Aire Systems** (43) Raleigh, NC Mfrs. kitchen-ventilation equipment	1,508	6,495	404	C	C	65	10	1979
154.	**Queue** Bridgeport, CT Publishes educational software	1,500	2,224	139	D	F	15	3	1980
155.	**Techmatics** Arlington, VA Provides engineering svcs.	1,474	4,234	269	C	C	66	7	1982
156.	**Datatel** (132) Cherry Hill, NJ Mfrs. data-communications equipment	1,463	12,033	770	C	C	109	22	1979
157.	**Waxco International** (189) Los Angeles, CA Construction engineering mgmt	1,455	2,411	155	C	A	45	12	1981
158.	**Shawmut Design & Construction** (52) Boston, MA Provides construction, architecture, & engineering svcs.	1,455	7,684	494	C	D	86	15	1982
159.	**Resource Information Mgmt. Systs.** (28) Naperville, IL Provides systs. to automate health-care industry	1,455	12,801	823	C	C	85	17	1981
160.	**Aim Executive** (159) Toledo, OH Provides executive recruiting & temporary-help svcs.	1,446	6,044	391	A	B	48	16	1977
161.	**Dental Center Service** Beachwood, OH Full-service dental centers	1,445	10,323	668	F	A	250	15	1982
162.	**Dynacom Telecommunications** (125) Watertown, MA Sells business telephone systs.	1,411	3,142	208	C	D	35	6	1980
163.	**Karmak Software & Computer Svcs.** Carlinville, IL Develops and sells computer software	1,407	1,778	118	D	F	20	4	1981
164.	**Van Horn Designs** Alexandria, VA Mfrs. & sells clothing accessories	1,407	2,049	136	C	E	42	3	1982
165.	**Elson Goot Group** Greenville, SC Advertising agency	1,406	2,816	187	D	F	17	3	1982

	Company (1986 rank) Business description	1986-87 Growth	Sales	Profits	Employee growth	Management	No. of employees		Date founded
166.	**Superior Seeds** Pasco, WA Distr. agricultural seeds	1,398%	$3,714	$248	D	B	10	1	1982
167.	**800-Software** Berkeley, CA Supplies value-added personal-computer products	1,388	21,246	1,428	D	D	66	6	1982
168.	**Career Blazers of White Plains** White Plains, NY Provides personnel svcs.	1,385	2,718	183	C	F	16	8	1982
169.	**Jones & Neuse** Austin, TX Provides engineering & environmental consulting svcs.	1,378	3,562	241	A	B	66	4	1982
170.	**Second City Systems** (137) Northbrook, IL Distr. facsimile products	1,376	3,986	270	D	C	56	8	1980
171.	**Darkroom** Northridge, CA Commercial photo lab	1,375	1,800	122	A	C	12	5	1973
172.	**IMRS** Stamford, CT Develops & mkts. financial software	1,368	1,674	114	D	C	18	2	1981
173.	**Roberts Welding Contractors** (270) Winterville, NC Industrial contractor	1,343	4,229	293	E	E	150	17	1977
174.	**Astrop Advisory** Atlanta, GA Provides investment counseling svcs.	1,342	2,293	159	B	A	16	3	1982
175.	**Gibson Group** (7) Cincinnati, OH Mkts. paper & paperboard	1,339	52,428	3,643	D	D	8	7	1981
176.	**Strategic Radio Research** Chicago, IL Provides market-research svcs.	1,333	1,476	103	F	F	14	3	1980
177.	**Crosby Vandenburgh Group** (58) Boston, MA Publishes magazines, guides, & directories	1,325	13,312	934	F	F	50	10	1980
178.	**North American Roofing** (167) Carmel, IN Provides roofing svcs.	1,324	12,100	850	C	D	140	35	1980
179.	**Advanced Energy Industries** (56) Fort Collins, CO Mfrs. semiconductor products	1,322	7,720	543	D	B	135	8	1981
180.	**Modular Mining Systems** Tucson, AZ Mfrs. computer systs.	1,317	4,322	305	B	F	30	6	1979
181.	**Steven J. Levine & Associates** Santa Fe Springs, CA Distr. restaurant equipment	1,315	3,397	240	C	F	29	5	1980
182.	**Advertising Consultants** Tulsa, OK Recruitment & specialty advertising	1,299	3,385	242	D	F	9	2	1981
183.	**McClanahan** (317) New York, NY Packages textbooks	1,297	5,407	387	A	A	11	2	1976
184.	**Physicians Weight Loss Centers** (391) Akron, OH Weight-loss franchisor	1,295	16,853	1,208	A	A	38	12	1979
185.	**Drug Emporium** (207) Worthington, OH Operates discount drugstores	1,286	240,983	17,392	D	D	1,170	100	1977
186.	**Sytek** (61) Mountain View, CA Network data-communications systs.	1,278	91,040	6,608	C	F	511	124	1979
187.	**Walsh Equipment** Doraville, GA Sells & svcs. hydraulic cranes	1,276	3,523	256	D	F	10	2	1981
188.	**Strategic Management Group** (79) Philadelphia, PA Mkts. business simulations & mgmt. software	1,272	2,868	209	C	C	31	5	1981
189.	**Financial Proformas** (160) Walnut Creek, CA Provides credit-analysis software svcs.	1,269	1,780	130	D	D	25	5	1981
190.	**Ridge Electric** East Sparta, OH Provides construction svcs.	1,264	1,896	139	D	A	20	8	1980
191.	**Quality Quartz Products** Newbury, OH Mfrs. quartz products	1,263	1,404	103	B	F	31	10	1982
192.	**I. B. Diffusion** Chicago, IL Mfrs. & distr. women's apparel	1,254	43,029	3,179	C	F	110	23	1979
193.	**OMNI Resources** (120) Millbury, MA Software finishing; mfrs. disks	1,253	3,072	227	F	E	45	7	1980
194.	**Flam & Russell** (84) Horsham, PA Provides engineering svcs.	1,252	4,813	356	D	F	52	12	1980
195.	**FLS Services** Dallas, TX Sells insurance programs	1,249	1,578	117	A	A	26	8	1979
196.	**Information Systems & Network** (18) Bethesda, MD Provides telecommunications engineering svcs.	1,246	28,148	2,091	B	A	435	73	1980
197.	**United Agencies** Cape Canaveral, FL Mkts. insurance	1,241	6,411	478	D	E	5	2	1980
198.	**Central Coast Analytical Services** San Luis Obispo, CA Provides environmental lab testing svcs.	1,238	1,351	101	C	A	40	4	1955
199.	**Original Copy Centers** (232) Cleveland, OH Provides legal & corporate copy svcs.	1,226	2,095	158	C	B	36	4	1975
200.	**Datamatic** (93) Richardson, TX Provides telecommunications systs. svcs.	1,225	9,219	696	D	F	40	14	1980

#175
THE GIBSON GROUP INC.
CINCINNATI

RICK DIERINGER

The Donohoos

Dad is the visionary. Older son is the planner. Younger son is the realist. Together, the three Donohoos started The Gibson Group paper brokerage in 1981, and today—with the help of one sales executive and four administrative assistants—they run a $52-million business. That works out to some $6.5 million per employee—the highest productivity of any company on this year's INC. 500.

Since 1935, Joseph, the elder Donohoo, has been involved with more than two dozen start-ups, including several in the paper industry. And he knew that most mills have excess paper and paperboard to sell. It is those excesses that The Gibson Group agrees to broker.

So far, it has been a lean if somewhat far-flung operation. Father Joe works out of his home in Florida, while his oldest son William does his selling from his home in California. It is left to Richard, the younger son and treasurer, to oversee the company's finances and small staff from the company's headquarters on the second floor of a renovated house in a quiet Cincinnati neighborhood. There are no company trucks, no storage facilities, no fancy computer systems. Here's a company that truly gives new meaning to the term "paper entrepreneurship."

But not for long. In October, The Gibson Group purchased its own paper mill in Harriman, Tenn.

#225 INSURANCE CONSULTING ASSOCIATES INC. PETALUMA, CALIF.

ROBERT HOLMGREN

Ronald Blanquie

To the neighbors it seemed so sad: a house gutted and a bereaved homeowner wondering why anyone would have wanted to burn his home down. But to the investigators of Insurance Consulting Associates, it didn't look quite so mysterious. On quick inspection, it seemed as if there had been a neatly sawed hole in the first-floor ceiling. And on further investigation, it was discovered that the bereaved homeowner had, conveniently enough, rented a chain saw the very weekend of the mysterious fire. The man was later convicted of arson and sent to prison. And Ronald Blanquie had made a loyal client of yet another insurance company.

"About 20% of all insurance claims are fraudulent," says Blanquie, "and most people who make payouts have no process to detect it." In addition to insurance companies, Blanquie's customers include a growing number of self-insurers, from local governments to businesses to physicians unwilling to pay large malpractice insurance fees.

	Company (1986 rank)	1982-86 Growth	1986 Sales	1985 Sales	1986 Profits	1985 Profits	1986 Employees	1985 Employees	Year Started
201.	**Laser Fare Ltd.** Smithfield, RI Provides laser-machining svcs.	1,224%	$4,050	$306	D	A	65	19	1980
202.	**Plow & Hearth** (301) Madison, VA Retails mail-order products	1,217	3,674	279	F	F	18	4	1980
203.	**Total-Dent** (146) Cromwell, CT Dental practice	1,216	2,632	200	F	A	56	8	1976
204.	**PacSoft** Kirkland, WA Develops & mkts. software	1,210	1,533	117	C	B	14	2	1981
205.	**Bennett Funding Group** (73) Syracuse, NY Leases equipment	1,209	62,843	4,800	D	D	69	16	1977
206.	**Micro Manufacturing Systems** Columbus, OH Develops & sells software	1,209	1,597	122	C	A	25	3	1979
207.	**First Capitol Computer** St. Peters, MO Mfrs. microcomputer products	1,193	1,384	107	C	C	9	1	1981
208.	**Dealer Information Systems** (201) Bellingham, WA Mfrs. & supplies software	1,192	8,375	648	C	F	85	15	1980
209.	**Innovative Computer Mgmt. Systs.** (188) Louisville, KY Develops & supports computer software	1,190	2,258	175	D	F	25	5	1980
210.	**Advanced Medical Systems** (13) Horsham, PA Distr. medical equipment	1,189	11,179	867	C	C	14	4	1980
211.	**Berger** (131) Denver, CO Provides information mgmt. consulting	1,181	2,255	176	C	F	45	11	1981
212.	**CDC Financial** West Hartford, CT Provides mortgage & equity financing	1,178	4,280	335	B	B	17	5	1981
213.	**Quad-S Consultants** Baton Rouge, LA Provides automation consulting svcs.	1,174	1,936	152	C	C	21	2	1981
214.	**Data Management Design** Reston, VA Provides software support	1,170	1,803	142	F	A	19	5	1981
215.	**Basicomputer** (97) Akron, OH Sells personal computers	1,169	49,496	3,900	E	D	180	35	1978
216.	**Landex** Lehigh Acres, FL Manages time-sharing resorts	1,158	15,100	1,200	D	D	250	70	1981
217.	**Alliance Research** Chatsworth, CA Distr. electronic supply parts	1,150	17,889	1,431	A	A	80	35	1979
218.	**New Morn** Leominster, MA Mfrs. natural cereals & products	1,150	2,500	200	C	D	4	4	1982
219.	**Branwood Manufacturing** Phoenix, AZ Mfrs. waterbeds	1,149	2,110	169	D	B	50	13	1981
220.	**Comlinear** (110) Fort Collins, CO Mfrs. signal-processing components	1,148	4,743	380	F	D	80	9	1980
221.	**American Business Computer** Farmington Hills, MI Develops & distr. software	1,141	1,415	114	F	F	35	5	1976
222.	**Data Systems Computer Centre** (271) Springfield, NJ Installs computers	1,141	62,717	5,055	D	D	152	35	1973
223.	**Kyle, Gordon & Associates** Caldwell, NJ Provides permanent- & temporary-help svcs.	1,136	1,841	149	D	F	7	2	1980
224.	**Marketvision Research** Cincinnati, OH Provides market-research svcs.	1,130	2,399	195	C	F	17	5	1982
225.	**Insurance Consulting Associates** Petaluma, CA Investigates insurance claims	1,125	1,323	108	C	D	28	5	1978
226.	**American Delivery Service** St. Louis, MO Provides courier svcs.	1,112	1,697	140	D	C	90	10	1979
227.	**Roddy Temporary Services** (483) Ann Arbor, MI Provides temporary-help svcs.	1,111	2,421	200	C	B	285	32	1978
228.	**Santa Cruz Operation** Santa Cruz, CA Develops & mkts. software	1,105	17,171	1,425	B	D	300	35	1978
229.	**Lion Coffee** Honolulu, HI Roasts specialty coffees	1,097	2,873	240	D	F	25	10	1980
230.	**Greater Alarm Company** Huntington Beach, CA Installs electrical systems	1,095	1,350	113	D	F	26	4	1981
231.	**Promega** (109) Madison, WI Mfrs. advanced reagent systs.	1,092	4,388	368	D	F	75	22	1978
232.	**Walker Richer & Quinn** (171) Seattle, WA Mkts. computer terminal emulation	1,088	4,860	409	B	D	25	7	1981
233.	**Swintec** (327) Moonachie, NJ Mfrs. & mkts. typewriters & calculators	1,087	44,000	3,708	D	E	56	40	1978
234.	**National Decision Systems** (128) Encinitas, CA Mkts. database applications	1,084	10,824	914	C	A	128	7	1979
235.	**ParaData Comp. Networks** (215) Farmington Hills, MI Distr. computer hardware & software	1,081	9,474	802	D	D	60	20	1979

#254 SLOTLINE GOLF HUNTINGTON BEACH, CALIF.

SCOTT BRINEGAR

C. R. 'Duke' Duclos

It is a sign of these Republican times that golf is making a comeback. That's one reason that Slotline Golf is on our list for the fourth year running. Another is a more "fore-giving" club design that, by putting extra weight in the heel and toe of the club face, helps to prevent the club head from twisting in the golfer's hand.

Before he began designing golf clubs 15 years ago, C. R. "Duke" Duclos was designing airplanes and space vehicles for McDonnell Douglas Corp. Today, sales of his "inertial" putters account for the majority of Slotline's $7 million in sales, but Duclos has high hopes for his new line of irons and woods, which has been competing head-to-head with the number-one-selling Ping line over the past year. Duclos also plans to beef up his European sales as soon as a new manufacturing, warehousing, and marketing facility is completed in—where else?—St. Andrews, Scotland.

	Company (1986 rank) Business	1982–86 Growth	1986 sales ($000)	1986 profit ($000)	1986 profits/ employee		No. of employees 1986	No. of employees 1982	Date started
236.	**ATK/Bay Area** (227) San Ramon, CA Distr. & remfrs. automobile engines	1,070%	$2,188	$187	C	D	4	2	1977
237.	**Professional Instrument Courses** Deep River, CT Trains private pilots	1,051	1,899	165	E	F	15	3	1980
238.	**SRS Network** (98) New York, NY Provides database & communications consulting svcs.	1,044	7,873	688	D	D	92	22	1978
239.	**CommTek** (80) Boise, ID Publishes magazine	1,035	17,702	1,559	D	F	100	125	1977
240.	**Computer Commun. Specialists** (216) Norcross, GA Data-communications networks	1,034	10,964	967	C	C	89	31	1977
241.	**Documentation Development** New York, NY Provides documentation & training consulting svcs.	1,034	3,208	283	A	C	85	6	1980
242.	**Windmill Woodworking** Sheboygan Falls, WI Mfrs. slat-wall display furniture	1,033	1,598	141	D	B	24	9	1980
243.	**Custom Cable Industries** Tampa, FL Mfrs. computer cable assemblies	1,031	2,953	261	C	C	55	9	1980
244.	**HealthStream** Chattanooga, TN Mkts. prepaid health programs	1,031	6,279	555	F	F	33	6	1980
245.	**Abacus II Computers** (70) Toledo, OH Retails computers	1,025	12,557	1,116	E	D	60	9	1980
246.	**Evcor Systems** Lisle, IL Sells & svcs. office & mailing equipment	1,019	5,314	475	D	B	132	5	1979
247.	**CAP International** (221) Marshfield, MA Provides consulting & market-research svcs.	1,017	4,279	383	A	D	43	7	1979
248.	**Professional Carpet Systems** Forest Park, GA Provides carpet-cleaning svcs.	1,011	2,199	198	A	B	45	22	1979
249.	**Human Resources** Stamford, CT Provides permanent- & temporary-help svcs.	1,000	2,410	219	D	B	6	4	1979
250.	**Data Source Media** Lincoln, NE Distr. computer supplies	992	1,147	105	C	D	10	1	1973
251.	**Word & Data Processing Products** (136) Omaha, NE Distr. computers & develops software	991	6,925	635	D	C	41	19	1979
252.	**Contact Communications** (280) Elmont, NY Provides radio-paging svcs.	984	1,918	177	C	C	16	4	1980
253.	**Logistical Transportation** Jacksonville, FL ICC carriers & construction	981	2,465	228	A	B	10	6	1980
254.	**Slotline Golf** (126) Huntington Beach, CA Mfrs. & sells golf clubs	981	7,283	674	C	E	80	15	1975
255.	**Seltmann, Cobb & Bryant** Memphis, TN Provides management consulting svcs.	978	4,259	395	C	D	72	16	1976
256.	**Lion Chemicals** Snowflake, AZ Mfrs. & supplies chemicals	974	3,834	357	D	E	8	1	1981
257.	**Sundance Spas** (92) Chino, CA Mfrs. portable spas	974	27,195	2,533	D	D	250	30	1977
258.	**MAC Construction & Excavating** Sellersburg, IN Highway & utility construction	973	6,075	566	D	F	60	25	1980
259.	**Bowser Cabinet & Casework** (133) San Diego, CA Mfrs. wood & plastic cabinets	972	1,822	170	C	C	33	4	1979
260.	**Systel Business Equipment** Fayetteville, NC Office automation sales & svcs.	968	5,178	485	D	C	106	11	1981
261.	**Logicraft** Nashua, NH Mfrs. networking computer products	968	2,135	200	F	D	26	2	1975
262.	**Broadway & Seymour** (53) Charlotte, NC Computer systs. & svcs.	967	18,540	1,738	F	D	300	44	1980
263.	**Network Rental** (96) Atlanta, GA Rent-to-own household appliances	963	12,067	1,135	D	C	190	15	1981
264.	**Pulier Mortgage Associates** Indianapolis, IN Mortgage lender	962	7,972	751	A	A	80	12	1976
265.	**Bertucci's** (436) Woburn, MA Operates restaurant chain	957	3,700	350	C	E	200	30	1981
266.	**Schlott** (378) Wayne, NJ Provides real-estate brokerage svcs.	956	46,195	4,375	D	D	550	94	1971
267.	**TRC Temporary Services** (214) Atlanta, GA Provides temporary-help svcs.	955	35,824	3,396	D	D	110	21	1980
268.	**Neoterik Health Technologies** Woodsboro, MD Mfrs. safety equipment	954	1,718	163	D	F	38	4	1981
269.	**Scosche Industries** Simi Valley, CA Distr. auto-sound accessories	940	1,934	186	D	D	25	4	1980
270.	**Outdoor Research** Seattle, WA Mfrs. recreation & travel kits	939	1,153	111	C	C	50	1	1981

#287
RPM PIZZA INC.
GULFPORT, MISS.

JONNY KALFUS

Richard Mueller

The way we figure it, $93.5 million in pizza sales is a *lot* of pizza. In terms of supplies, that adds up to about 5 million pounds of cheese and 2.5 million quarts of tomato sauce each year. End to end, the pepperoni would stretch from Gulfport to Kansas City.

RPM Pizza not only delivers a lot of pizzas, it delivers an important message about franchising—namely, that franchisees can become their own companies of significance. With 242 stores in five states and Canada, RPM is the largest franchisee of the Domino's Pizza empire and one of the largest pizza enterprises in the country. Owner and chairman of the board Richard Mueller started with Domino's as a driver in 1967 before becoming a franchisee, a corporate vice-president, and then a franchisee again—only this time with exclusive Domino's rights to all of Louisiana and Mississippi. Having now moved well beyond its Deep South base, RPM is building new shops at the rate of two and three a month. Will the nation soon satisfy its appetite for the Italian pies? There is no indication of it from this year's INC. 500. Also on the list: The Pizza People (#456), another Domino's franchise; and Massachusetts-based Bertucci's (#265).

	Company (1986 rank) Business	Growth	1986 sales	1986 profit	Profit margin	Debt to equity	Employees	Employees	Date founded
271.	**DeWolfe New England** (260) Boston, MA Provides real-estate & financial svcs.	930%	$12,074	$1,172	F	D	54	16	1949
272.	**Computer Mgmt. & Dvlpmt. Svc.** Harrisonburg, VA Develops computer software	927	1,848	180	D	F	42	5	1980
273.	**CardioData** (156) Northboro, MA Mfrs. medical electronics	925	4,891	477	D	F	50	8	1971
274.	**Zack's Famous Frozen Yogurt** (315) Metairie, LA Franchises frozen yogurt shops	920	5,100	500	C	F	82	6	1977
275.	**Michigan Group** Brighton, MI Sells real estate	919	3,547	348	D	F	84	12	1981
276.	**QLM Associates** Princeton, NJ Develops sales promotion & marketing events	916	7,457	734	C	C	29	7	1982
277.	**American Comp. Professionals** (145) Columbia, SC Provides computer consulting svcs.	914	4,208	415	D	E	84	11	1982
278.	**Oneida Asbestos Removal** (152) Marcy, NY Provides asbestos abatement svcs.	914	4,804	474	D	D	70	10	1981
279.	**Techstaff** Seattle, WA Provides technical temporary-help svcs.	912	1,083	107	D	F	5	4	1980
280.	**Flextronics** (204) Hayward, CA Mfrs. electronic assemblies	905	72,365	7,200	D	D	1,100	300	1969
281.	**Coin Financial Systems** Norcross, GA Develops microcomputer systs.	904	17,664	1,759	D	F	190	33	1980
282.	**Building System Evaluation** Sierra Madre, CA Provides engineering audit svcs.	900	2,250	225	A	D	50	5	1982
283.	**Coventry Manufacturing** Baldwin Park, CA Mfrs. custom clean-room supplies	899	2,548	255	D	A	120	25	1981
284.	**Mobile Offices of Maryland** White Marsh, MD Retails mobile offices & modular buildings	898	1,587	159	C	F	7	2	1981
285.	**TCH Industries** Grand Rapids, MI Mfrs. custom die castings	895	27,558	2,771	D	C	445	30	1982
286.	**Woodworker's Supply** (299) Albuquerque, NM Sells woodworking machinery & supplies	894	18,567	1,868	C	D	52	20	1972
287.	**RPM Pizza** (85) Gulfport, MS Domino's Pizza franchisee	892	93,543	9,431	D	D	722	125	1981
288.	**Presentables-Cinzia** (289) Sausalito, CA Mfrs. women's lingerie	889	2,195	222	B	C	9	3	1980
289.	**Honolulu Premium Products** (217) Honolulu, HI Sells costume jewelry & luggage	889	7,493	758	B	C	22	24	1980
290.	**Currier Construction** Auburn, NY General construction	888	3,072	311	D	F	12	5	1976
291.	**Polycom Huntsman** (253) Washington, PA Compounds thermoplastics	886	72,560	7,360	D	D	166	42	1977
292.	**Accr-A-Data** Farmington, CT Provides data-processing svcs.	884	2,067	210	D	D	15	2	1982
293.	**Skyline Displays** Burnsville, MN Mfrs. portable displays & graphics	881	9,521	971	C	D	63	9	1980
294.	**Foreign Candy** (373) Hull, IA Imports & distr. candy	879	15,901	1,625	C	C	49	18	1978
295.	**Computer Technology Associates** (59) Englewood, CO Provides aerospace systs. engineering svcs.	877	37,640	3,851	D	C	400	80	1979
296.	**Data Forms** Fayetteville, AR Sells business forms & computer supplies	870	1,406	145	D	F	4	1	1982
297.	**Robbins Communications** (241) Pittsburgh, PA Installs communications cable	869	5,544	572	E	B	110	22	1978
298.	**Molly Maid** Ann Arbor, MI Provides residential cleaning svc.	867	1,160	120	E	F	33	3	1979
299.	**Leisure World Health Club** Highland, IL Operates health clubs	865	1,496	155	B	F	50	10	1982
300.	**National Systems & Research** Colorado Springs, CO Provides systs. engineering svcs.	864	9,172	951	D	D	165	18	1980
301.	**Sunquest Information Systems** (149) Johnstown, PA Designs mgmt. information systs.	863	10,602	1,101	B	D	82	9	1979
302.	**Hard Engineering** (267) Huntsville, AL Mfrs. communications testing equipment	857	1,282	134	C	B	11	2	1981
303.	**Select Temporary Services** Richmond, VA Provides temporary-help svcs.	855	11,836	1,240	D	F	40	27	1966
304.	**Accutest Laboratories** (352) North Brunswick, NJ Environmental & medical testing labs	852	2,627	276	A	D	40	12	1956
305.	**Five Technologies** Montvale, NJ Provides human-resource consulting svcs.	851	2,482	261	C	C	30	2	1981

Company (1986 rank) Business description	1982–85 Percent increase	'85 sales (000)	'82 sales (000)	Profit margin*		No. of employees		Year founded
306. **Glendale Envelope** Glendale, CA Sells & prints envelopes	851%	$1,483	$156	D	D	14	3	1981
307. **Stewart Supply** Fort Worth, TX Distr. apartment-maintenance supplies	850	1,976	208	C	C	9	1	1981
308. **Network Data Systems** (387) Flushing, MI Develops software	850	1,415	149	F	F	28	6	1980
309. **Delmarva Systems** Newark, DE Sells & svcs. security systs.	843	2,811	298	D	C	15	5	1981
310. **Zachary Jackson Copy Service** Los Angeles, CA Provides commercial copying svcs.	843	2,121	225	C	E	43	6	1981
311. **Starmark** (274) Chicago, IL Provides advertising & marketing public-relations svcs.	840	18,540	1,972	B	C	41	8	1978
312. **Urban Designs** San Francisco, CA Builder & developer	826	2,399	258	D	F	15	7	1981
313. **Newbury Comics** (284) Cambridge, MA Sells records, comic books, & posters	822	3,309	359	D	C	38	7	1978
314. **Computer Intelligence** Raleigh, NC Provides customized software engineering svcs.	820	2,328	253	D	C	27	9	1981
315. **C-Cubed** Alexandria, VA Designs shipboard communications systs.	815	5,670	620	D	F	88	22	1974
316. **T/Maker** (304) Mountain View, CA Publishes software	805	1,539	170	C	A	8	2	1980
317. **COSMOS** Washington, DC Provides research, computing, & consulting svcs.	802	1,110	123	D	D	15	3	1980
318. **Centrac Associates** (468) Bothell, WA* Provides consulting & construction svcs.	798	7,256	808	E	F	91	30	1978
319. **Matarazzo Associates** (329) Atlanta, GA Provides int'l tax-consulting svcs.	798	2,881	321	C	A	4	3	1979
320. **Integral Systems** (330) Walnut Creek, CA Develops human-resources software	796	24,848	2,774	B	F	204	109	1972
321. **Micro Systems** (485) Fort Walton Beach, FL Mfrs. computer control systs.	[illegible]	2,900	324	D	D	100	20	1976
322. **GPA Technical Consultants** (340) Cincinnati, OH Provides engineering consulting svcs.	[illegible]	24,266	2,718	F	D	462	130	1979
323. **Source of Future Technology** New York, NY Provides computer software consulting svcs.	789	1,253	141	D	F	12	3	1981
324. **VSP Personnel Services** Phoenix, AZ Provides permanent-help svcs.	787	896	101	C	F	18	3	1981
325. **Environ** Washington, DC Provides chemical risk-assessment & consulting svcs.	785	9,484	1,072	C	C	85	5	1982
326. **Dash, Straus & Goodhue** Boxborough, MA Laboratory equipment analysis	784	1,600	181	C	A	17	3	1980
327. **Westlake Graphics** Newbury Park, CA Provides reprographic svcs.	783	2,500	283	D	F	55	8	1979
328. **Beauty Store & More** Petaluma, CA Operates retail beauty stores	780	4,815	547	C	F	90	50	1979
329. **National Health Care Affiliates** (34) Buffalo, NY Provides health-care svcs.	780	39,039	4,438	D	F	1,660	178	1977
330. **William Ravels** Fairfield, CT Provides financial svcs.	771	28,558	3,280	C	D	126	21	1974
331. **Execu-Flow Systems** (91) Cranford, NJ Sells turnkey computers	769	2,598	299	D	C	28	8	1981
332. **CQG** Glenwood Springs, CO Provides commodity price-quotation svcs.	767	9,532	1,100	C	F	31	12	1981
333. **Specialty Cabinets & Fixtures** Savannah, GA Mfrs. custom cabinetry	766	1,499	173	F	F	34	3	1981
334. **Blagge Enterprises** (184) Rancho Cordova, CA Distr. audiotapes & vidc..tapes	763	15,512	1,797	D	D	36	7	1977
335. **Quality Systems** (122) Vienna, VA Computer systs. engineering & development	762	10,135	1,176	D	D	183	18	1981
336. **ProSync** Melbourne, FL Provides consulting & training svcs.	761	2,454	285	D	F	58	16	1980
337. **Copper & Smith** Harrisonburg, VA Provides surveying & engineering svcs.	755	1,240	145	B	F	40	6	1982
338. **Serrot** Huntington Beach, CA Mfrs. & installs plastic linings for ponds	755	9,258	1,083	C	D	60	12	1978
339. **Diagnostic Testing** Somerset, MA Medical laboratory	754	1,605	188	D	A	58	7	1981
340. **Express Courier Systems** New York, NY Provides messenger & courier svcs.	752	4,166	489	D	F	200	38	1981

#316
T/MAKER CO.
MOUNTAIN VIEW, CALIF.

ROBERT HOLMGREN

Heidi Roizen and Royal Farros

Heidi Roizen finds it amusing that her company is on the list of the country's fastest growing. In a way, that's precisely what she has been trying to avoid.

It all started when her brother enlisted her help in selling his new spreadsheet program. Roizen promptly set about doing what any new M.B.A. fresh out of Stanford Business School has learned to do: spend money. As a result, despite strong sales, their new company nearly faltered.

Then last year it nearly happened again. One of T/Maker's independent software developers had come up with the first desktop publishing program for the IBM personal computer, and within the first 10 weeks, T/Maker had orders for 10,000 copies. What it didn't have was the support staff necessary to provide 24-hour-a-day support services to 10,000 customers and to make constant improvements to the program. Personal Publisher required a bigger company than Roizen or her business partner, Royal Farros, wanted to run, and they promptly sold the program to a larger firm.

"Sales growth is not our objective," says Roizen. High margins are. Let others try to make their companies the next Microsoft, she says. "We like it when we can do 20% of the work and get 50% of the revenue."

#353 MID-SOUTH COMMUNICATIONS INC. MEMPHIS

ALLEN MIMS

Ward Archer

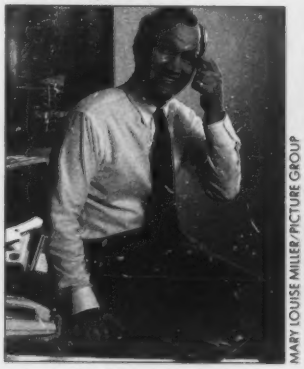
In the 1960s, it was alternative newspapers. In the '70s, it was city magazines. Now, in the entrepreneurial '80s, it's regional business journals that are the hot publishing properties, this year breaking into the INC. 500 for the first time with Mid-South Communications.

There are about 200 of the business regionals around the country now, offering business executives a different perspective and more in-depth coverage than the consumer-oriented reporting of most local newspapers. Journalistically, Ward Archer's Mid-South Memphis and Nashville papers are considered among the best. By one estimate, as much as 90% of the advertising for the business regionals has been siphoned off from local media—newspapers, city magazines, even local radio. But that is about to change: with nearly half the magazines already consolidated into multijournal operations like Mid-South's, they have begun to make a bid for national advertisers as well. It is perhaps no coincidence that advertising pages for business regionals are up 7% this past year—about the same amount that advertising pages in national business publications are down.

	Company (1986 rank) Business description	1982-86 Percent increase	'86 sales (000s)	'82 sales (000s)	Profit range '86	Profit range '82	No. of employees '86	No. of employees '82	Date founded
341.	**Technical Support Services** Ossining, NY Provides data-processing maintenance svcs.	752%	$13,617	$1,599	D	C	245	62	1978
342.	**M. W. Halpern** (101) Garland, TX General contracting	751	5,083	597	C	D	40	5	1979
343.	**Tidewater Consultants** Virginia Beach, VA Provides mgmt. & computer systs. consulting svcs.	748	9,111	1,075	C	D	190	50	1976
344.	**Quadrant** North Myrtle Beach, SC Provides residential contract mgmt. svcs.	747	1,771	209	B	F	74	15	1981
345.	**Morgan & Myers** Jefferson, WI Public-relations firm	746	1,852	219	B	F	28	7	1982
346.	**Royal Waterbeds** (257) St. Louis, MO Retails waterbeds, furniture, & accessories	745	14,360	1,700	C	C	100	30	1977
347.	**Creative Designs** Ossining, NY Mfrs. wooden gifts & furniture	744	1,435	170	B	A	35	10	1980
348.	**TeleTime Productions** Great Neck, NY Produces videos	743	1,079	128	B	F	20	4	1978
349.	**Zero Defects** Boise, ID Contract manufacturing	732	2,663	320	C	E	55	22	1980
350.	**Vocational Training Center** (287) St. Louis, MO Operates vocational schools	731	10,659	1,282	A	C	275	15	1961
351.	**Micro Center** (45) Columbus, OH Retails microcomputers & accessories	730	34,471	4,155	D	C	179	25	1980
352.	**JL Associates** (192) Hampton, VA Management svcs. contracting	729	12,053	1,454	D	C	511	192	1978
353.	**Mid-South Communications** Memphis, TN Publishes weekly business journals	728	1,970	238	F	F	48	13	1979
354.	**Field & Associates** Delray Beach, FL Provides corporate-recognition awards	727	2,050	248	D	D	9	1	1981
355.	**Metro Information Services** (261) Virginia Beach, VA Provides computer consulting svcs.	724	9,073	1,101	D	D	190	33	1973
356.	**Profile** (127) Pompano Beach, FL Mfrs. & distr. vertical blinds	723	18,572	2,257	D	F	110	77	1978
357.	**Barry Companies** Wilmington, DE Provides permanent- & temporary-help svcs.	716	5,345	655	E	F	30	10	1977
358.	**Command Security** Poughkeepsie, NY Provides security & private investigation svcs.	715	4,059	498	D	D	343	60	1963
359.	**Graphics Leasing** Waltham, MA Leases equipment	715	4,106	504	A	D	24	7	1981
360.	**Corporate Merchandise** Santa Ana, CA Retails mail-order products	712	1,258	155	B	E	6	2	1982
361.	**Renex** Woodbridge, VA Mfrs. computer peripheral equipment	708	4,298	532	C	B	37	14	1980
362.	**Optim Electronics** (180) Germantown, MD Mfrs. data-acquisition systs.	707	3,480	431	C	F	27	9	1980
363.	**Soil Shield International** Fremont, CA Distr. fabric-care product	707	4,236	525	D	D	16	3	1982
364.	**Guardian Products** Norcross, GA Distr. private-label auto chemicals	704	1,849	230	D	D	5	1	1981
365.	**Windline Seaway** Los Angeles, CA Mfrs. marine hardware	701	1,305	163	C	E	13	4	1980
366.	**R. M. Wieland** Kawkawlin, MI Mfrs. contract furniture	699	4,692	587	E	F	75	7	1977
367.	**Golden Ribbon** Boulder, CO Mfrs. printer ribbons	698	822	103	F	C	17	5	1981
368.	**P. F. O'Connor** Braintree, MA Retails lumber & building materials	698	64,983	8,146	D	D	390	116	1978
369.	**Northeast Quality Products** Haverhill, MA Mfrs. custom labels	697	1,147	144	D	D	13	3	1982
370.	**King's Roofing** (353) Portland, OR Provides commercial & industrial roofing svcs.	692	2,692	340	D	C	22	7	1979
371.	**BMC Software** (32) Sugar Land, TX Develops & mkts. software	691	18,074	2,284	B	B	140	15	1980
372.	**General Computer** (38) Cambridge, MA Mfrs. & distr. computer peripheral equipment	688	23,647	3,000	F	A	125	47	1981
373.	**Infinite Creations** (313) Bamberg, SC Mfrs. all types of bags	686	2,200	280	D	C	85	35	1977
374.	**Bacova Guild** Bacova, VA Mfrs. hardware & home furnishings	686	9,600	1,222	C	E	110	31	1965
375.	**Bax Engineering** St. Charles, MO Provides civil engineering & land surveying svcs.	680	1,755	225	C	B	43	7	1981

376. **Key Nursing** Thibodaux, LA Provides nursing svcs.	679%	$1,464	$188	C	D	40	4	1982
377. **Manta-Ray** West Unity, OH Mfrs. custom-injection moldings	678	895	115	D	F	12	6	1951
378. **EPE** Costa Mesa, CA Mfrs. power distribution equipment	678	55,226	7,100	D	C	450	200	1971
379. **Townside TV & Appliance** Beckley, WV Retails appliances & electronics	674	3,485	450	D	D	24	6	1981
380. **El Camino Resources** (219) Sherman Oaks, CA Computer equipment dealer & lessor	673	55,144	7,133	D	D	55	10	1979
381. Prime Die Casting Clearwater, FL Mfrs. zinc & aluminum die castings	672	5,615	727	C	A	60	8	1965
382. Telemarketing Agency (491) Arlington Heights, IL Provides marketing & advertising svcs.	672	3,225	418	D	E	23	5	1979
383. Celebrity Mfg. Rapids, MN Provides color separation svcs.	666	8,040	1,050	A	E	65	11	1967
384. Mailbox Mall (290) New York, NY Retails mail-order products	665	9,484	1,239	C	D	53	9	1977
385. Good News Travels Easley, SC Organizes group tours	665	964	126	C	F	4	2	1981
386. **Atrium Medical** Hollis, NH Designs & mfrs. artificial arteries	665	2,080	272	D	F	21	7	1981
387. **Systs. Research & Applications** (305) Arlington, VA Provides computer svcs.	664	19,006	2,487	D	D	293	51	1978
388. **Novatron** Warren, MI Mfrs. gauge panels	661	4,496	591	D	F	55	11	1981
389. **SYME** Chagrin Falls, OH Mfrs. metal containers	660	7,413	975	C	F	60	2	1976
390. **Associated Temporary Staffing** (206) Jacksonville, FL Provides temporary-help svcs.	659	21,585	2,843	D	D	80	55	1979
391. PCG Enterprises Long Beach, CA Provides mgmt. consulting svcs.	659	6,926	913	D	A	90	8	1980
392. Energy Support Services Coraopolis, PA Provides mgmt. & technical support to energy industry	654	5,115	678	D	B	63	12	1982
393. Gary Construction (134) Austin, TX Provides excavation & construction svcs.	654	22,163	2,938	D	C	90	32	1977
394. Sta. Co. & Subsidiaries Belleville, MI Mfrs. testing equipment	654	37,256	4,942	D	E	172	43	1966
395. Corporate Resource Development Atlanta, GA Provides sales, mktg. & mgmt. training svcs.	651	766	102	C	F	12	2	1981
396. **Dataspace Design & Development** Chatsworth, CA Designs & builds computer centers	651	3,551	473	D	C	8	3	1981
397. **Butler Ackermann Public Relations** Knoxville, TN Public-relations firm	651	1,111	148	C	E	11	5	1981
398. **Nor-Cote Chemical** (154) Crawfordsville, IN Mfrs. special inks & coatings	650	2,811	375	C	C	25	6	1976
399. **Chaffee Industrial Roofing** East Providence, RI Industrial roofing contracting	643	2,377	320	E	E	20	5	1982
400. **M.I.T. Recruiting Systems Agency** Woodland Hills, CA Executive-search firm	640	1,850	250	A	B	15	2	1982
401. Ocean Specialty Manufacturing Canoga Park, CA Mfrs. plastic advertising products	637	4,373	583	B	D	57	25	1977
402. Southern Office Furn. Distrs. (316) Greensboro, NC Sells office furniture	633	12,162	1,659	D	D	74	12	1979
403. Personal Perform. Consultants (395) St. Louis, MO Employee-assistance programs	633	7,498	1,023	D	D	160	25	1975
404. CMC Construction Oak Ridge, TN General contractor	633	6,241	852	D	C	32	20	1979
405. MSI International (425) Atlanta, GA Provides executive-search & temporary-help svcs.	629	19,225	2,637	D	D	180	91	1968
406. **McCaren Designs** St. Paul, MN Provides interior plant care svcs.	627	916	126	C	F	16	4	1977
407. **Wisc. General Cartage & Warehouse** Milwaukee, WI Trucking distributor	626	2,441	336	D	D	54	10	1976
408. **Teleco USA** (263) Greenville, SC Sells & distrs. phone equipment	626	6,233	858	D	D	32	10	1981
409. **Erin Benefit Group** Lancaster, PA Sells insurance	626	7,228	996	D	D	35	15	1977
410. **Glen Ivy Financial Group** (172) Corona, CA Develops real estate	624	25,985	3,588	C	C	400	120	1975

#385 GOOD NEWS TRAVELS INC. EASLEY, S.C.



MARY LOUISE MILLER/PICTURE GROUP

John Tribble

Christmas in Opryland with a pilgrimage to the Minnie Pearl museum. Springtime in Michigan with entertainment by the stars of "The Lawrence Welk Show." A summertime holiday in Dollywood. These are among the offerings of Good News Travels, a Christian group-touring company intent on helping its customers "explore God's creation." Run by John Tribble out of a small Easley, S.C., office, Good News Travels will coordinate about 175 vacations this year for senior groups, civic clubs, and those who want a tour that starts each day with prayer.

Unlike some of the other religious-oriented enterprises around the country, Good News Travels claims it has been unaffected by the Jim and Tammy Faye Bakker scandals at the PTL Club. "We're different in that we offer people something tangible for their money," says Tribble. "It's sad what happened. So many people put their trust in Jim and Tammy Bakker instead of Jesus Christ."

#441 LANDSCAPES UNLIMITED INC. LINCOLN, NEBR.

KEITH GLASGOW

William Kubly

Think of fast-growing companies and where do you picture them? San Jose? Tampa? Boston? How about Lincoln, Nebr.? This city of only 185,000, in the middle of the country, in the middle of an agricultural depression, is home to four companies on this year's INC. 500. There's a publisher of phone books (United Phone Book Advertisers, #6) and a distributor of computer supplies (Data Source Media, #250), a contractor for interior space (Interior Surface, #476) and one for exterior spaces, too (Landscapes Unlimited). Landscapes Unlimited's president William Kubly admits that if he were dependent on the Nebraska economy, he would have been out of business years ago. His company's crews, he says, spend most of their time on the road, building golf courses in other states. Then why stay in Lincoln? Kubly credits a pleasant community, the lively atmosphere of a state capital, and the University of Nebraska's Cornhuskers football games.

	Company (1986 rank)	3-yr. growth percent	'86 sales	'87 sales	Profitability*		No. of employees		Date
411.	**Rod Thomas Enterprises** St. Louis, MO Home-improvement contracting	623%	$5,074	$702	C	F	33	4	1972
412.	**Dupey Management** (323) Irving, TX Retails arts & crafts	622	78,980	10,935	D	D	580	50	1977
413.	**Tom Garter Spas** Grand Rapids, MI Sells & svcs. spas	620	857	119	D	D	10	3	1982
414.	**Xscribe** (135) San Diego, CA* Mfrs. computer-aided transcription equipment	620	29,817	4,141	D	C	263	168	1978
415.	**Forte Industrial Equip. Syst.** (341) Cincinnati, OH Distr. automated materials-handling systs.	619	2,630	366	B	D	11	2	1980
416.	**Professional Business Schools** St. Louis, MO Operates vocational school	618	1,787	249	B	C	60	11	1977
417.	**Temporary Solutions** (386) Manassas, VA Provides temporary-help svcs.	615	3,663	512	D	D	18	5	1980
418.	**Maxima** (397) Rockville, MD Provides integrated technology-information svcs.	614	36,313	5,088	E	D	984	150	1978
419.	**Digital Analysis** Reston, VA Computer systs. engineering	614	1,834	257	D	A	35	4	1981
420.	**Staubach Company** (332) Dallas, TX Sells commercial & investment real estate	612	10,494	1,474	B	B	110	25	1977
421.	**Goodtime Appliance & TV Rental** Columbus, GA Rent-to-own home products	611	1,834	258	F	D	30	10	1982
422.	**Preferred Properties** Center Harbor, NH Provides real-estate brokerage svcs.	609	1,417	200	D	F	20	9	1967
423.	**Properties of America** (484) Williamstown, MA Sells real estate	608	9,820	1,387	C	D	70	15	1974
424.	**Phoenix Microsystems** (239) Huntsville, AL Mfrs. telecommunications testing equipment	607	8,672	1,227	C	C	105	10	1978
425.	**David Langer** Los Angeles, CA Distr. semiconductors & computer peripherals	604	5,629	800	D	D	7	6	1968
426.	**ERM Group** West Chester, PA Provides environmental engineering & consulting svcs.	603	36,229	5,156	C	D	275	56	1977
427.	**RAM Graphics** (338) Alexandria, IN Distr. shirts & trophies	603	5,775	822	D	B	95	15	1976
428.	**Forest Home Systems** Selinsgrove, PA Building developer	600	9,325	1,332	D	C	30	18	1977
429.	**Electrical South** (334) Greensboro, NC Mfrs. industrial electronic controls	598	4,727	677	D	D	75	16	1977
430.	**Omniform** Baltimore, MD Distr. business forms	598	1,152	165	D	F	5	3	1981
431.	**Pioneer/Eclipse** (166) Sparta, NC Mfrs. industrial cleaning equipment	596	16,000	2,300	D	C	88	33	1978
432.	**AC3** (113) Birmingham, AL Retails computers	595	16,882	2,430	D	D	48	8	1980
433.	**Omega** (402) Concord, CA Designs & installs security systs.	594	4,178	602	F	D	35	20	1973
434.	**Gorin's Homemade Ice Cream** Avondale Estates, GA Mfrs. ice cream	593	1,976	285	D	C	24	6	1981
435.	**Analytical Technologies** Birmingham, MI Provides computer programming & consulting svcs.	592	5,288	764	D	D	102	17	1980
436.	**Heritage Capital** Dallas, TX Sells rare coins	588	48,021	6,984	D	F	61	27	1972
437.	**Incepts** Dallas, TX Provides computer software consulting svcs.	585	8,013	1,169	E	D	150	17	1979
438.	**Just Bikinis** Costa Mesa, CA Mkts. women's swimsuits & sportswear	585	1,335	195	C	F	25	4	1979
439.	**Peter Chud** Philadelphia, PA Distr. gold jewelry	583	2,016	295	D	D	9	1	1981
440.	**Star Nail Products** (266) Burbank, CA Mfrs. acrylic fingernails & cosmetics	583	3,708	543	C	C	38	3	1981
441.	**Landscapes Unlimited** (473) Lincoln, NE Constructs golf courses	582	5,258	771	C	D	12	5	1976
442.	**C & C Glass** Philadelphia, PA Distr. glass & mirror products	581	3,686	541	D	D	40	15	1975
443.	**Smart** Torrance, CA Provides hospital svcs.	581	7,966	1,170	C	D	450	200	1976
444.	**Clark-White & Associates** Spokane, WA Advertising agency	579	4,931	726	D	F	27	7	1980
445.	**Saftronics** Fort Myers, FL Mfrs. industrial controls for electric motors	576	7,540	1,116	C	F	36	4	1982

	Company (1986 rank) Business description	1982-86 Growth	1986 Sales	1986 Profits	Employees		1986	1982	Year founded
446.	**Minors Lawn Care** Fort Worth, TX Provides landscape-mgmt. svcs.	572%	$1,405	$209	B	C	85	11	1980
447.	**Suburban Landscape** (312) Davenport, IA Provides landscape architecture & contracting svcs.	571	2,236	333	D	D	83	18	1981
448.	**TRICOM** (41) West Hempstead, NY Distr. microcomputer hardware	568	11,328	1,697	D	D	26	5	1981
449.	**CIT Construction Inc. of Texas** (286) Stafford, TX General contractor	567	10,000	1,500	B	B	30	10	1980
450.	**Hartley Courseware** (82) Dimondale, MI Mfrs. computer software	566	2,939	441	A	B	20	3	1981
451.	**Din & Pangrazio** Chicago, IL Marketing & communications	564	1,149	173	E	D	16	4	1978
452.	**Perry Morris** (104) Newport Beach, CA Finances new & used equipment	564	6,877	1,035	B	C	55	6	1981
453.	**Comtech Services** Lakewood, CO Provides technical writing consulting svcs.	563	796	120	B	F	13	6	1980
454.	**Markit Productions** Clayton, MO Provides typesetting svcs.	563	1,658	250	D	D	45	5	1982
455.	**Publications & Communications** (422) Austin, TX Publishes computer trade journals	562	5,060	764	A	A	42	8	1979
456.	**Pizza People** Marietta, OH Domino's Pizza franchisee	562	14,358	2,168	D	D	700	200	1972
457.	**Respironics** Monroeville, PA Mfrs. & mkts. medical products	562	6,808	1,028	C	F	225	30	1976
458.	**Fantastic Sam's International** Memphis, TN Franchises hair-care salons	562	11,763	1,778	D	C	45	22	1974
459.	**Cejka** (285) St. Louis, MO Provides executive-search svcs.	561	2,116	320	B	D	20	5	1981
460.	**Quality Temp** Bloomington, MN Provides temporary-help svcs.	559	5,618	852	D	D	14	4	1980
461.	**Temp Force** Atlanta, GA Provides temporary-help svcs.	559	16,725	2,538	D	D	74	28	1976
462.	**Setton's International Foods** Plainview, NY Imports & distr. fruits & nuts	558	22,110	3,359	C	D	42	12	1971
463.	**Seatec** Warrior, AL Provides temporary-help svcs.	558	1,440	219	D	E	4	2	1977
464.	**Technical Resources** Rockville, MD Provides environmental & health svcs.	556	5,138	783	D	D	102	18	1979
465.	**Fluorescent Maintenance Service** Brooksville, FL Maintains fluorescent lighting systs.	555	1,186	181	D	F	36	8	1970
466.	**MidAmerica Design Service** Fort Wayne, IN Provides contract engineering svcs.	555	5,399	824	D	D	225	45	1979
467.	**Commonwealth Equity Services** (205) Newton, MA Provides investment brokerage svcs.	555	6,096	931	D	D	200	130	1979
468.	**MMS International** (307) Redwood City, CA Provides on-line market analysis	553	10,897	1,669	A	A	130	35	1974
469.	**K. L. C.** (393) West Hartford, CT Leases industrial equipment	552	2,268	348	A	B	10	4	1972
470.	**Mona, Meyer & McGrath** Bloomington, MN Public-relations firm	551	1,628	250	D	F	22	5	1981
471.	**Local Data** (459) Torrance, CA Mfrs. networking hardware	551	12,252	1,882	D	C	130	19	1977
472.	**Life Design Systems** Carrollton, TX Mfrs. disposable medical devices	550	4,226	650	C	D	130	29	1976
473.	**Admax** (355) Fort Lauderdale, FL Publishes "for sale by owner" databases	549	2,720	419	C	D	84	10	1978
474.	**Skoda, Minotti, Reeves** Mayfield Village, OH Provides accounting svcs.	547	873	135	D	D	12	5	1980
475.	**Bassman Vending** Waukee, IA Sells vending machine foods	547	1,112	172	D	D	8	2	1980
476.	**Interior Surface** Lincoln, NE Installs & refinishes commercial flooring	545	1,549	240	D	F	3	1	1982
477.	**Dental Dynamics** Virginia Beach, VA Dental mgmt. & consulting	544	734	114	A	D	6	2	1979
478.	**Champion Awards** (108) Memphis, TN Sells printed apparel & awards	544	4,011	623	D	B	50	10	1970
479.	**Altex Electronics** San Antonio, TX Sells electronic components & computers	543	3,916	609	D	C	14	4	1980
480.	**American Systems Engineering** Virginia Beach, VA Provides engineering & technical consulting svcs.	539	17,253	2,698	D	C	375	66	1981

#465 FLUORESCENT MAINTENANCE SERVICE INC. BROOKSVILLE, FLA.

GERRY ZECK

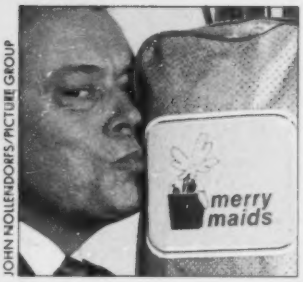
Jimmy and Margaret Williams

Don't tell Jimmy Williams that his future looks bright—it's a really tired joke to a guy who changes light bulbs for a living. And don't ask him how it is that he married the boss's wife. "It always sounds so bad," he laments.

The facts are that Fluorescent Maintenance Service is a company that both designs lighting plans and sends crews out to systematically clean and replace the bulbs. When founder Rex Knowles died in 1980, the company was left to drift for several years without any senior management. Williams, a former employee, was finally recruited to return to help Margaret Knowles "clean up the mess," and along the way they fell in love and got married. He is the president, she the vice-president, with 76% of the equity.

As for the company's turnaround, Williams attributes it mostly to his own plan of linking its fee directly to a client's energy savings. And the savings, it turns out, are considerable. Williams claims companies can shave as much as 50% off their electric lighting bills from installation of more energy-efficient lighting units and regular washing of bulbs and fixtures.

#490 MERRY MAIDS INC. OMAHA



JOHN NOLLENDORF'S/PICTURE GROUP

Dallen Peterson

INC. readers will remember that, back in June, we profiled the rise and fall of Carol Brothers and her ill-fated cleaning service franchise, Pop-Ins. Now, here's one that did it right. Dallen Peterson started Merry Maids in 1980 and today has the largest house-cleaning operation in the country. Like Brothers, Peterson says he started with no previous experience in franchising, coming out of a long career in corporate management. But unlike Brothers, who put most of her energy into promotion and marketing, Peterson concentrated on extensive training and reliable suppport for the 415 franchises now located in 44 states.

481.	**Computer Comps. Int'l** (106) S. San Francisco, CA Distr. abrasive materials	539%	$3,764	$589	D	D	5	3	1980
482.	**Placers** (404) Wilmington, DE Provides employee-search & temporary-help svcs.	539	5,935	929	D	D	33	12	1972
483.	**San Diego Design** (77) Santee, CA Mfrs. home-entertainment centers	539	12,074	1,890	D	C	239	57	1979
484.	**Dencom Systems** (458) Los Angeles, CA Svcs. & installs telephone systs.	537	1,198	188	B	C	11	4	1981
485.	**John Yantis** (392) San Antonio, TX Provides highway & utility construction svcs.	537	14,451	2,269	C	C	120	34	1965
486.	**Interior Services** Cincinnati, OH Supplies office furnishings	537	1,[illegible]	279	D	D	9	2	1982
487.	**Depot Distributors of New England** Fitchburg, MA Distr. kitchen & bath cabinets	536	22,[illegible]32	3,498	D	D	110	27	1977
488.	**Lombardo Agency** (487) Lancaster, PA General insurance brokerage	536	2,700	439	D	F	7	3	1977
489.	**Sunbelt Transformer** Temple, TX Remfrs., sells, & distr. transformers	535	2,933	462	D	F	27	5	1981
490.	**Merry Maids** Omaha, NE Cleaning svc. franchise	534	3,495	551	D	B	18	8	1980
491.	**Laboratory MicroSystems** Troy, NY Develops & mkts. scientific software	532	853	135	C	E	14	2	1981
492.	**Nanco Environmental Services** Wappingers Falls, NY Environmental analytical lab	531	1,243	197	F	E	45	8	1974
493.	**Barry, Bette & LedDuke** Schenectady, NY Provides construction mgmt. & contracting svcs.	530	67,647	10,741	D	D	776	299	1973
494.	**Pride Cleaners** Leawood, KS Dry-cleaning & laundry facilities	529	6,265	996	D	F	280	40	1982
495.	**R & H Construction** Portland, OR Commercial building contractor	529	25,757	4,096	D	D	120	35	1980
496.	**Sage Federal Systems** (462) Rockville, MD Provides computer programming svcs.	528	22,223	3,541	D	D	92	60	1974
497.	**Fox-Huber** Richmond, VA Provides temporary-help svcs.	527	6,464	1,029	D	D	20	10	1978
498.	**Heuriker** (242) Madison, WI Mfrs. microcomputer boards & systs.	527	10,471	1,670	D	C	99	37	1972
499.	**Ford's Chemical & Service** (447) Pasadena, TX Mfrs. pesticides	527	14,042	2,240	D	D	52	35	1972
500.	**PhoneAmerica** (165) Malvern, PA Provides telephone-systs. sales & svcs.	526	1,853	296	D	F	30	5	1981

HOW THE INC. 500 WERE SELECTED

DILIP CHALIHAN

Deborah Weeks

You might say that Deborah Weeks is the 501st member of the INC. 500. By the time December rolls around, she certainly feels like one. Her annual checklist is a long one: maintain individual files on each of the thousands of companies that apply; enter final data on each applicant on the research department computer; calculate rankings and determine breakdowns by industry, sector, and state; check, recheck, and re-recheck the final list. Oh, and most important: humor the INC. 500 senior editor.

For Weeks to qualify a company for the 1987 INC. 500, a company must have been independent and privately held on August 1, 1987, when applications were due. The rankings are based on the percentage increase in sales during a five-year period. During the base year (fiscal 1982), sales must have been between $100,000 and $25 million. And during the fifth year (1986), sales must have been greater than the year before.

Information on each application was verified by phone both with company officials and with their accountants. The checking process is something of a painstaking task that falls mainly to our summer interns. We remember, in particular, the dietary habits of interns Angus Macaulay, who ate three bologna sandwiches each day for lunch, and Suelette Daniel-Dreyfus, for whom a typical meal consisted of two doughnuts, a bag of popcorn, and a *diet* Coke. Elizabeth Thompson represented the magazine with distinction in a big summer road race, but less agile Mason O'Neal broke his hand just putting on a pair of roller skates. Karen Novick wins the prize for finding the accountant with the most distinctive name, one Barefoot Bonehead. And on one of her first days, Erin Oatway telephoned another accounting firm and asked to speak with "Mr. Waterhouse"—apparently neither he nor Mr. Price was available.

The INC. 500 is prepared under the direction of special projects editor Sara Baer-Sinnott. She also had help from Robyn Campbell, Brad Drury, Elizabeth Scaccia, and Kathryn Thibodeau. Researcher Leslie Brokaw authored the brief profiles that appear among the listings.

The information published here is the only material INC. will make available.